



**NOTICES OF PROPOSED RULEMAKING**

This section of the *Arizona Administrative Register* contains Notices of Proposed Rulemakings.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same *Register* issue.

When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA), the notice is published in the *Register* within three weeks of filing. See the publication schedule in the back of each issue of the *Register* for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule (A.R.S. §§ 41-1013 and 41-1022).

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

**NOTICE OF PROPOSED RULEMAKING  
TITLE 12. NATURAL RESOURCES  
CHAPTER 4. GAME AND FISH COMMISSION**

[R17-07]

**PREAMBLE**

<b><u>1. Article, Part, or Section Affected (as applicable)</u></b>	<b><u>Rulemaking Action</u></b>
R12-4-501	Amend
R12-4-502	Amend
R12-4-503	Amend
R12-4-504	Amend
R12-4-505	Amend
R12-4-506	Amend
R12-4-507	Amend
R12-4-509	Amend
R12-4-510	Amend
R12-4-511	Amend
R12-4-513	Amend
R12-4-514	Amend
R12-4-515	Amend
R12-4-516	Amend
R12-4-517	Amend
R12-4-520	Amend
R12-4-521	Repeal
R12-4-522	Repeal
R12-4-524	Amend
R12-4-526	Amend
R12-4-527	Amend
R12-4-529	Amend
R12-4-530	New Section

**2. Citations to the agency’s statutory authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statute: A.R.S. § 5-311(A)(1)

Implementing statute: A.R.S. §§ 5-301, 5-302, 5-311, 5-321, 5-321.01, 5-322, 5-323, 5-324, 5-326, 5-327, 5-328, 5-331, 5-332, 5-336, 5-341, 5-343, 5-346, 5-347, 5-349, 5-350, 5-361, 5-371, 5-391, 5-392, 5-393, 5-399, 5-399.01, 5-399.02, 5-399.03.

**3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:**

Notice of Rulemaking Docket Opening: 23 A.A.R. 299, February 3, 2017 (*in this issue*).

**4. The agency’s contact person who can answer questions about the rulemaking:**

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Please visit the AZGFD web site to track progress of this rule and any other agency rulemaking matters at <https://www.azgfd.com/agency/rulemaking/>.

**5. An agency's justification and reason why the rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:**

An exemption from Executive Order 2015-01 was provided for this rulemaking by Hunter Moore, Natural Resource Policy Advisor, Governor's Office, in an email dated July 7, 2016.

**R12-4-501. Boating and Water Sports Definitions**

The objective of the rule is to establish definitions that assist the regulated community and members of the public in understanding the unique terms used throughout Article 5. The Commission proposes to amend the definition of "abandoned watercraft" to establish that a watercraft remaining unattended in a designated mooring or anchorage area is not considered an "abandoned watercraft" to make the rule more concise. With this rulemaking, the Department is establishing a third-party provider program that will allow a person to provide certain watercraft services to the public; the Commission proposes to define "third-party provider" to facilitate consistent interpretation of, and to prevent the regulated community from misinterpreting the intent of, the proposed third-party provider rule. Under A.R.S. § 5-326, a nonresident owner of a watercraft must pay a nonresident boating safety infrastructure fee. Initially, the Commission authorized different options as proof of payment of the fee, including a separate decal to be affixed to the watercraft. However, since the rule was adopted, the Department has determined the most cost effective and efficient option is to use the certificate of number or the registration decal as the means to indicate proof of payment. The Commission proposes to amend the rule to repeal the definition of the "Nonresident Boating Safety Infrastructure decal." In 2014, 33 C.F.R. 175 was amended to define "wearable" and "throwable" Personal Flotation Devices (PFDs). The Commission also proposes to amend the definition of "personal flotation device" and define "wearable" and "throwable" PFDs in order to maintain consistency between the rule and the corresponding federal regulation, as required under A.R.S. § 5-311. In addition, the Commission proposes to amend the definition of "livery" to facilitate consistent interpretation of the Commission rules.

**R12-4-502. Application for Watercraft Registration**

The objective of the rule is to establish watercraft registration application requirements to ensure the Department collects and maintains the information required under 33 C.F.R. 187 Vessel Identification System (VIS) and 33 C.F.R. 174 State Numbering and Casualty Reporting Systems. These regulations prescribe the owner and vessel information requirements for States electing to participate in VIS. The Commission proposes to establish signature requirements for watercraft owned by more than one person, a business, or held in a trust to reflect the Department's current business processes and ensure compliance with A.R.S. § 5-321(A) which states, "the application shall be signed by the owner of the motorized watercraft...". The Commission proposes to require an applicant for a watercraft registration to complete and sign a residency statement to ensure compliance with A.R.S. § 5-301(13), which establishes residency standards. The Commission proposes to amend the rule to remove the Department website Uniform Resource Location (URL) and simply reference the Department's website to ensure the rule remains concise in the event the Department's url should change. The Commission proposes to require the owner's signature on the release of interest to be acknowledged before a notary public or witnessed by a Department employee when a person is registering a watercraft in Arizona for the first time, is not listed as the owner on the current registration, and the signature of the buyer or seller is in question. This typically occurs when the release of interest contains a printed signature or the signature on another document submitted along with the release of interest does not match the person's signature on the release of interest. The Commission also proposes to require the owner to present their watercraft for inspection when the applicant is unable to provide required information. In addition, the Department is aware of instances where a watercraft bearing a watercraft dealer certificate of number is used for personal recreational purposes by employees or family members of the dealership, in violation of A.R.S. §§ 5-321(A) and 5-322(F). The Commission proposes to amend the rule to reference the letter of deletion issued by the U.S. Coast Guard. The U.S. Coast Guard documents watercraft that are owned by a U.S. citizen and are in excess of five net tons, are operated on the navigable waters of the U.S., or in the fisheries in the U.S. Exclusive Economic Zone (EEZ). The EEZ extends no more than 200 nautical miles from the territorial sea baseline and is adjacent to the 12 nautical mile territorial sea of the U.S., including the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands. Because the states are only able to register undocumented watercraft, a letter of deletion (proof the watercraft is no longer documented by the U.S. Coast Guard) is required. The Commission proposes to establish a watercraft dealer registration may become invalid when used in violation of A.R.S. § 5-322(F), as authorized under R12-4-506.

**R12-4-503. Renewal of Watercraft Registration**

The objective of the rule is to establish watercraft registration renewal requirements when the renewal is made in person, through the mail, or online. Laws 2013, 1st Regular Session, Ch. 197, Section 25 (Senate Bill 1223) amended A.R.S. §§ 5-321 and 5-322 to authorize the Commission to establish watercraft registration, watercraft transfer, duplicate registration and decal, and dealer certificate of number fees. The Commission proposes to replace references to the statutory fee authority with the rule that establishes watercraft fees, R12-4-504. In addition, the Commission proposes to allow a person to obtain a duplicate registration online via the Department's online watercraft registration system. Currently, a person may only obtain a duplicate watercraft registration by mail or in person at a Department office. A person who discovers they have misplaced their registration on a weekend or holiday is not able to obtain a duplicate watercraft registration any sooner than the next business day. This change is in response to customer comments received by the Department.

**R12-4-504. Watercraft Fees; Penalty for Late Registration; Staggered Registration Schedule**

The objective of the rule is to establish motorized watercraft registration, watercraft transfer, duplicate registration and decal, and dealer certificate of number fees, penalty for late registration, and a staggered watercraft registration schedule. The Commission proposes to specify the number of months of proration to clarify the current watercraft registration process for the first renewal period to make the rule more concise. In addition, the Commission proposes to allow a person to renew their watercraft registration



up to six months before the current expiration of the watercraft. This change is in response to customer comments received by the Department.

#### **R12-4-505. Hull Identification Numbers**

The objective of the rule is to establish Hull Identification Number (HIN) requirements in compliance with 33 C.F.R. 181. The Commission proposes to allow the Department to accept a bill of sale with a missing or nonconforming HIN to make the rule more concise and reduce costs to persons regulated by the rule. Such scenarios include a homemade watercraft or a watercraft manufactured prior to November 1, 1972.

#### **R12-4-506. Invalidation of Watercraft Registration and Decals**

The objective of the rule is to establish the circumstances under which the Department may invalidate a watercraft registration and provide the Department with the authority to refuse to register a watercraft until the reason for the invalidity is corrected or no longer exists. With this rulemaking, the Department is establishing a third-party provider program that will allow a person to provide certain watercraft services to the public; the Commission proposes to amend the rule to allow the Department to invalidate the watercraft registration erroneously issued by a third-party provider (agent). Under A.R.S. § 5-321(F), no person may operate a motorized watercraft on the waterways of this state unless the watercraft displays the assigned number and current annual decals or the person is in possession of a valid thirty-day temporary registration as prescribed by this article. Under A.R.S. § 5-322(F), each dealer or manufacturer in this state engaged in the sale of motorized watercraft using the watercraft for a sales demonstration shall obtain one or more dealer watercraft certificates of number with the current validating decals. A watercraft dealer certificate of number (registration) allows the watercraft dealer to demonstrate a watercraft's features to a potential buyer. The Department is aware of instances where the watercraft is being used by an employee or family member of the dealership for personal recreation and not for demonstration purposes. This act facilitates the unlawful use of an unregistered watercraft on the waterways of the state and circumvents paying the proper watercraft registration fee as required under A.R.S. § 5-321. The Commission proposes to allow the Department to invalidate the dealer watercraft registration when the watercraft dealer registration is used contrary to law.

#### **R12-4-507. Transfer of Ownership of an Abandoned or Unreleased Watercraft**

The objective of the rule is to establish requirements for transferring ownership of an unreleased or abandoned watercraft. Under R12-4-501, "abandoned watercraft" includes any watercraft that has remained on private property without the consent of the private property owner. An "unreleased watercraft" is a watercraft for which there is no written release of interest from the registered owner. Currently, only the property owner may submit an abandoned watercraft application. When a watercraft is abandoned on foreclosed real property, the financial institution often contracts with a company for the removal of any personal effects left on the foreclosed property (including watercraft). The Commission proposes to amend the rule to allow an agent to act on behalf of the lienholder when a watercraft is abandoned on foreclosed real property to reduce costs and burdens to persons regulated by the rule. This change is in response to customer comments received by the Department. The Commission also proposes to amend the rule to authorize the Department to notify the public of a person's intent to obtain ownership of an abandoned watercraft. Currently, when the Department is unable to notify the owner of a person's intent to obtain a transfer for an abandoned watercraft, the Department publishes a notice once in a newspaper or other publication of general circulation in this state; which costs the Department approximately \$1,800. This change will result in a more efficient and less costly process for the Department. Also, more and more people are using electronic media instead of subscribing to newspaper services; it is reasonable to provide this notice on the Department's website where it will be available to a larger group of people. In addition, the Commission proposes to amend the rule to remove the requirement that the Department will provide a description of the abandoned or unreleased watercraft subject to the transfer of ownership. The Department has never received a request for this information from any person whose watercraft was abandoned or stolen; the Department believes this requirement is obsolete and should be removed from the rule.

#### **R12-4-509. Watercraft Agents**

The objective of the rule is to establish watercraft agent application requirements and the authorization process for a dealer seeking to issue a 30-day temporary certificate of number upon the sale of a new watercraft. The Commission proposes to reference the rule that establishes the dealer certificate of number fee to increase consistency between Commission rules. The Commission proposes to replace references to "watercraft dealer" with "watercraft agent" to make the rule more concise. The Commission proposes to allow a watercraft agent to issue a temporary certificate of number for a used watercraft. This change is in response to customer comments received by the Department. The Commission proposes to remove the list of information required on the application and require the application submitted by the watercraft agent to comply with the requirements of R12-4-502 to make the rule more concise. The Department is in the process of creating an online system that will allow a watercraft agent to log-in, issue temporary certificates of number, and access their watercraft agent account. As a result of the online system, the Department will no longer supply prenumbered temporary certificates of number to watercraft agents. In addition, a watercraft agent will no longer be required to verify receipt of prenumbered temporary certificates of number, submit voided prenumbered temporary certificates of number, or submit a monthly report for activities conducted during the previous month. The Commission also proposes to increase the amount of time in which a watercraft agent must submit documentation from 72 hours to five business days. This change is in response to customer comments received by the Department. In addition, the Commission proposes to amend the rule to comply with changes made to U.S. Coast Guard regulations under 33 C.F.R. 187 Vessel Identification System (VIS), as required under A.R.S. § 5-311.

#### **R12-4-510. Refund of Fees Paid in Error**

The objective of the rule is to establish requirements necessary to obtain a refund for watercraft registration renewal and Nonresident Boating Safety Infrastructure fees, as applicable. Under the current rule, the Department may refund registration fees when a watercraft owner erroneously paid fees twice for the same watercraft or sold the watercraft to another person prior to renewing the registration. At the January 15, 2016 Commission meeting, a watercraft owner petitioned the Commission for a refund of her registration fee for a watercraft she did not intend to register. The Commission denied the petition as the rule did not allow for a



refund under the petitioner's circumstance, but directed the Department to evaluate the petitioner's request during the rulemaking process for Article 5. The Commission proposes to allow for a refund under this circumstance. With this rulemaking, the Department is establishing a third-party provider program that will allow a person to provide certain watercraft services to the public; the Commission proposes to amend the rule to establish that a person who paid their watercraft registration fee to a third-party provider must request a refund from that third-party provider.

**R12-4-511. Personal Flotation Devices**

The objective of the rule is to establish personal flotation device (PFD) category and type requirements specific to the operator, each passenger, and watercraft type. Compliance with PFD laws and rules is important because, according to the U.S. Coast Guard, drowning was the reported cause of death in 78% of the 610 recreational boating fatalities in 2014 nationwide. Of those incidents, 84% of those drowning victims were not wearing a PFD. In 2014, 33 C.F.R. 175 was amended to define “wearable” and “throwable” PFDs. A throwable PFD means a U.S. Coast Guard approved Type IV device such as, but not limited to, a buoyant cushion, ring buoy, or horseshoe buoy. A wearable PFD means a U.S. Coast Guard approved Type I, Type II, Type III, or Type V device for use on any watercraft such as, but not limited to, an off-shore life jacket, near-shore buoyant vest, special-use wearable device, or flotation aid. The Commission proposes to amend the rule to reflect changes made to U.S. Coast Guard regulation, as required under A.R.S. § 5-311.

**R12-4-513. Watercraft Accident and Casualty Reports**

The objective of the rule is to establish self-reporting requirements for watercraft operators involved in any collision, accident, or other casualty resulting in an injury, casualty, or property damage. The Commission proposes to replace references to “accident” with “incident” to reflect the current terminology used in the boating industry. In addition, the Commission proposes to remove the list of information required on the report and require the owner or operator of the watercraft submitting the report to comply with the requirements of 33 C.F.R. 173.57 to make the rule more concise.

**R12-4-514. Liveries**

The objective of this rule is also to establish identification requirements for rental watercraft when the certificate of number is retained on shore by the owner. The U.S. Coast Guard regulations address commercial, passenger for hire operations in which a livery offers a watercraft with an operator for hire or lease operations. Persons renting personally owned watercraft for compensation circumvent livery and business regulatory requirements and place the public at risk by using uninspected safety equipment. The Department has received complaints from Maricopa County Parks and Maricopa County Sheriff's Office enforcement officers regarding persons who are operating rented or leased watercraft; some were observed to have multiple safety violations. A.R.S. § 5-371 prohibits the owner, employee, or agent of a boat from renting or leasing watercraft registered as a livery that do not have the equipment (e.g. personal flotation devices, fire extinguishers, lights, flame arrestors, etc.). The avoidance of regulation and accountability creates genuine reason for public concern. More recently, multiple fatalities along the Colorado River involving the rental of personal watercraft has peaked public and media interest regarding current regulatory mechanisms of livery watercraft. The Department proposes to amend the rule to require a person who rents, leases, or offers a watercraft or who operates a passenger for hire situation to register the watercraft as a livery. The Commission proposes to amend the rule to address renting or leasing operations that do not include an operator. The Department proposes to amend the rule to require a person who rents, leases, or offers a watercraft or who operates a passenger for hire situation to display a placard or some other form of display with the name and phone number of the business and carry the registration or receipt onboard the watercraft when operating a livery watercraft on waterways within the state. Identifying livery craft by name and phone number has been a practice employed by the larger livery companies and is a benefit to both the livery operation and persons renting when disabled or damaged craft are contacted by law enforcement and the lessee doesn't know the name of the rental company, contact number or where the business is located; this proposal protects the livery operator's fleet property by allowing recovery or identification of livery craft involved in reckless operation. Most watercraft rental businesses already identify their watercraft as rentals; this aids law enforcement with watercraft recovery and search and rescue operations. It is a form of advertisement, which is helpful to the business.

**R12-4-515. Display of AZ Numbers and Registration Decals**

The objective of the rule is to establish requirements for the display of watercraft numbers and registration decals issued by the Department. Under A.R.S. § 5-322(A), all motorized watercraft whether underway, moored, or anchored on the waters within the boundaries of the state are to be numbered in accordance with A.R.S. Title 5, Chapter 3 or rules of the Commission in accordance with the federally approved numbering system. The Commission proposes to amend the rule to reference “moored” and “anchored” watercraft to make the rule consistent with the statute.

**R12-4-517. Watercraft Motor and Engine Restrictions**

The objective of the rule is to establish watercraft motor and engine restrictions to protect the public and conserve aquatic resources. The rule was adopted to restrict the use of watercraft and boat engines on certain bodies of water in order to protect the public health and safety and the environment. The lakes listed under subsection (A) are used as a source of drinking water for local communities and lakes listed under subsection (B) are small or have habitat for nesting wildlife. In the past, watercraft powered by electric motors were typically smaller than their gas-powered counterparts due to their short battery life and output. Advances in electric motor and composition of watercraft have greatly improved battery life and output, resulting in the manufacture of larger watercraft with electric motors. The Commission proposes to amend the rule to establish a ten horsepower (hp) limit for watercraft with electric motors for listed lakes.

**R12-4-520. Arizona Uniform State Waterway Marking System**

The objective of the rule is to incorporate the U.S. Coast Guard's uniform state waterway marking system. The Commission proposes to amend the title to reflect the current terminology used in the boating industry to make the rule more concise. The Commission proposes to incorporate by reference the most recent version of 33 C.F.R. 62 to ensure compliance with A.R.S. § 5-361, which requires the Commission to adopt rules for uniform navigational marking standards of waters. The Commission also proposes to



amend the rule to combine R12-4-520, R12-4-521, and R12-4-522 into one overarching rule that addresses regulatory markers and aids to navigation. As a result, R12-4-521, and R12-4-522 will be repealed. In addition, Commission proposes to prohibit the use of lights to mark waterways or their shorelines without authorization. For example, a green light placed on a dock gives the impression that a watercraft is being operated in the area. This presents a safety hazard to persons operating another watercraft in the vicinity. The amendment would allow the Department to ask the person responsible for the light to either relocate or change the color of the light. Under A.R.S. § 5-361(A), “No city, county or person shall mark the waters of this state in any manner in conflict with the uniform navigational marking standards of waters as prescribed by the commission or the United States coast guard.” In addition to regulatory markers, federal regulation 33 C.F.R. 62 also addresses the use of lights.

#### **R12-4-521. Placing or Tampering with Regulatory Markers or Aids to Navigation**

The objective of the rule is to establish prohibited activities involving regulatory markers, aids to navigation, or other waterway marking devices. The Commission proposes to amend to combine R12-4-520, R12-4-521, and R12-4-522 into one overarching rule that addresses regulatory markers and aids to navigation and repeal R12-4-521.

#### **R12-4-522. Establishment of Controlled-Use Markers**

The objective of the rule is to establish requirements for persons requesting to establish, change, or remove controlled-use markers and the follow-up reporting requirements. The Commission proposes to amend to combine R12-4-520, R12-4-521, and R12-4-522 into one overarching rule that addresses regulatory markers and aids to navigation and repeal R12-4-522.

#### **R12-4-524. Water Skiing**

The objective of the rule is to establish water ski observer requirements. The responsibilities of an observer include watching for hazards, observing water skiers, notifying boat operators when a skier has entered the water, and determining approximate points of entry in the water. Since the rule was adopted, the variety of towed water sport activities has grown immensely and includes a wide range of devices. The Commission proposes to amend the rule title to clarify that the rule applies to all persons participating in a towed water sport, not just water skiing. The Commission proposes to amend the rule to reflect observer requirements mandated under A.R.S. § 5-346 to increase consistency between statute and rule. In recent years a risky new fad, “teak surfing,” also called “drag surfing” has emerged in boat-towed sports. Teak surfing is performed by hanging onto a swim platform at the back of a boat while the boat is moving forward in slow motion. Often the teak surfer will release their grip and body surf in the boat’s wake. The obvious danger is the teak surfer’s proximity to the boat propeller. The silent danger is exposure to carbon monoxide, which is tasteless and odorless, and potentially lethal when inhaled. According to the Naval Safety Center, the symptoms of carbon monoxide poisoning may include severe headache, dizziness, confusion, nausea, fainting, and death. Low levels can cause shortness of breath, mild nausea, and a mild headache. Low levels are more dangerous in the boating environment because they can lead to drowning because teak surfers rarely wear life preservers because they inhibit body surfing. Carbon-monoxide poisoning may not be suspected immediately because the symptoms are similar to those of people with the flu, food poisoning, or other illnesses. The Commission proposes to ban “teak surfing.” “Wake surfing” is another risky fad; in this variation of waterskiing, surfers are pulled behind a watercraft by a towrope and, once a surf wave is created, the wake surfer releases the rope and “surfs” the wave created by the watercraft. The Commission believes wake surfers are exposed to the same risks as water skiers and should be subject to the same safety requirements. The Commission also proposes to require the operator of a watercraft to ensure an observer is on duty at all times a person is being towed behind the watercraft or is surfing a wake created by the watercraft. In addition, the Commission proposes to require a wake surfer to wear a PFD.

#### **R12-4-526. Unlawful Mooring**

The objective of the rule is to establish watercraft mooring restrictions, prohibitions, and exceptions. Both Department officers and the Lake Havasu Police Department have requested the Commission amend the rule to enable law enforcement to take action quickly when a watercraft is abandoned or is submerged or sinking. Watercraft abandoned in public waterways are a major problem as they create navigation and environmental hazards. Consider the pollution that comes from one abandoned boat that sinks—oil, fuel, antifreeze and many synthetic and often toxic materials the boat itself is made of. Not only do these harmful substances destroy fish habitat and community drinking water, but the blight and dangers that come from sunken boats put boaters at great safety risks. The Commission proposes to require a person to remove abandoned or submerged watercraft within 72 hours of written or verbal notification and establish the owner of the watercraft is responsible for all towing and storage fees resulting from the removal of the watercraft from waters. These changes are in response to comments received by the Department.

#### **R12-4-527. Transfer of Ownership of a Towed Watercraft**

The objective of the rule is to establish transfer of ownership requirements for a watercraft in possession of a towing company and ensure compliance with A.R.S. §§ 5-399 - 5-399.02, which prescribes the basic procedures that allow a towing company to take ownership of a watercraft left unclaimed. A.R.S. § 5-399(A) requires a towing company to provide written notification by mail to the owner and lienholder, if known, of the impounded watercraft’s location. Because the statute does not provide any timeframe for this notification, the towing company is not obligated to notify the owner/lienholder of the impounded watercraft’s location in a timely manner, resulting in the accrual of additional impound fees. In addition, the Department is aware of scenarios where a towing company will wait until they have a buyer for a watercraft before applying for a certificate of number for that watercraft, which also results in the accrual of additional impound fees. By the time the towing company notifies the owner/lienholder, the storage fees can become so great that the owner/lienholder opts to give the watercraft to the towing company in lieu of paying exorbitant fees. The Commission proposes to require a towing company to submit a request for the owner/lienholder information from the Department within 15 days of impounding the watercraft, and to thereafter notify the owner and lienholder of an impounded watercraft’s location 15 days after receiving the information from the Department. This time-frame mirrors the time provided to the towing company under statute. Under A.R.S. § 5-399(B), if the watercraft’s owner or lienholder does not remove the watercraft within 15 days of the mailing of notice, the towing company is required to submit an application for ownership of the abandoned watercraft; the Commission proposes to amend the rule to reflect the time-frame specified in statute. These amendments are authorized



under A.R.S. § 5-399.03 which states, “The department may adopt rules to carry out the requirements of this article and establish fees to implement this article.” In addition, the Commission proposes to remove the reference to the Director as it is the Department's watercraft program that will process the towing company's application.

**R12-4-529. Nonresident Boating Safety Infrastructure Fees; Proof of Payment; Decal**

The objective of the rule is to establish the nonresident boating safety infrastructure fee (NBSIF) schedule (based on the length of the watercraft) and the manner in which a nonresident recreational watercraft owner may provide acceptable proof of payment of the fee. Under A.R.S. § 5-326, the Commission shall prescribe the manner in which a person shall carry and display proof of payment of the required fee. Initially, the Commission authorized different options as proof of payment of the fee. However, since the rule was adopted, the Department has determined the most cost effective and efficient option is to use the registration decal as a means to indicate proof of payment. The Commission proposes to remove references and requirements that relate to the Arizona NBSIF Decal.

**R12-4-530. Authorized Third-party Providers; Agents**

With this rulemaking, the Department is establishing a third-party provider program. The proposed rule allows the Department to enter into a contract, through the State procurement process, with a private entity to perform limited or specific services on behalf of the Department. The proposed rule authorizes a third party vendor to process the less complex watercraft transactions: watercraft transfers, watercraft registration renewals, duplicate watercraft registrations and decals, and new watercraft registrations. The proposed rule establishes the Department shall determine minimum quality standards of service and a quality assurance program designed to ensure the authorized third-party provider is complying with the minimum standards. The proposed rule requires a third-party provider to collect and remit the State's fees to the Department and authorizes the third-party provider to collect and retain a reasonable and commensurate fee for its services. The proposed rule requires a third-party provider to identify to the applicant the Department's registration fee and the nonresident boating safety infrastructure fee, when applicable, separately from any other costs. The proposed rule allows the Department to suspend or cancel an authorization/certification when it determines an authorized third-party provider made a material misrepresentation or misstatement in the application for authorization or certification, has been convicted of fraud or a watercraft related felony in any state or jurisdiction of the U.S. within the ten years immediately preceding the date a criminal records check is complete or any other felony within the five years immediately preceding the date a criminal records check is complete, violated a rule or policy adopted by the Department, failed to keep and maintain records required by the rule, failed to remit to the Department the State's fees, or allowed an unauthorized person to engage in any business pursuant to this Section. The proposed rule allows the Department to order a summary suspension of the third provider's authorization if the Department has reasonable grounds to believe that a certificate holder or other person employed by an authorized third-party provider has committed watercraft registration fraud, improperly disclosed a watercraft owner's personal information, committed bribery or theft. In addition, the proposed rule establishes a third-party or certificate holder may appeal the decision pursuant to A.R.S. Title 41, Chapter 6, Article 10. This rule is proposed in response to customer comments received by the Department.

**6. A reference to any study relevant to the rule that the agency reviewed and proposes to either rely on or 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:**

The agency did not rely on any study in its evaluation of or justification for the rule.

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

Not applicable

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

The Commission's intent in proposing these amendments is to protect public health and safety, ensure compliance with watercraft operation and registration statutes, administer a boating safety program, and compliance with the U.S. Coast Guard regulations. The Commission anticipates the majority of the rulemaking is intended to benefit persons regulated by the rule, members of the public, and the Department by clarifying rule language to ease enforcement, creating consistency among existing Commission rules, reducing the burden on the regulated community where practical, implementing customer-service-oriented processes, and allowing the Department additional oversight where necessary. The Commission anticipates the rulemaking will result in little or no impact to political subdivisions of this state; private and public employment in businesses, agencies or political subdivisions; or state revenues. The Commission has determined that there are no less intrusive or costly alternative methods of achieving the purpose of the rulemaking. Other than the cost of rulemaking, there are no costs associated with the rulemaking. Therefore, the Commission has determined that the benefits of the rulemaking outweigh any costs.

**9. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:**

Name: Tim Baumgarten, Boating Law Administrator  
Address: Arizona Game and Fish Department  
5000 W. Carefree Highway  
Phoenix, AZ 85086  
Telephone: (623) 236-7383  
Fax: (623) 236-7045  
E-mail: TBaumgarten@azgfd.gov

**10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Date: April 7, 2017  
Time: 8:00 a.m. to 5:00 p.m.



Location: Game and Fish Department  
5000 W. Carefree Highway  
Phoenix, AZ 85086

Close of record: April 7, 2017

**11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

**a. Whether the rule requires a permit, whether a general permit is used, and if not, the reason why a general permit is not used:**

R12-4-502, the rule complies with A.R.S. § 41-1037. The certificate of number described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

R12-4-503, the rule complies with A.R.S. § 41-1037. The registration renewal described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

R12-4-503, the rule complies with A.R.S. § 41-1037. The certificate of number described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-507, the rule complies with A.R.S. § 41-1037. The certificate of number described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-509, the rule complies with A.R.S. § 41-1037. The authorization described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-522, the rule complies with A.R.S. § 41-1037. The authorization described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-527, the rule complies with A.R.S. § 41-1037. The certificate of number described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-529, the rule complies with A.R.S. § 41-1037. The Arizona Watercraft Registration Decal described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

For R12-4-530, the rule complies with A.R.S. § 41-1037. The third-party authorization described in the rule falls within the definition of “general permit” as defined under A.R.S. § 41-1001(11).

**b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law, and if so, citation to the statutory authority to exceed the requirements of federal law:**

Except for the rules listed below, federal law is not directly applicable to the subject of the rules. The rules are based on state law.

For R12-4-501, Federal regulation 33 C.F.R. 187 is applicable to the subject of the rule. 33 C.F.R. 187.303 establishes the terms a state must define in order to participate in the Vessel Identification System (VIS). The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-502, Federal regulation 33 C.F.R. 187 is applicable to the subject of the rule. 33 C.F.R. 187 prescribes the minimum owner, vessel, and record information requirements for States electing to participate in VIS. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-502, Federal regulation 33 C.F.R. 174 is applicable to the subject of the rule. 33 C.F.R. 174 prescribes a standard numbering system for vessels applicable to States for approval of State numbering systems. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-505, Federal regulations 33 C.F.R. 181 and 33 C.F.R. 187 are applicable to the subject of the rule. 33 C.F.R. 181 prescribes requirements for the certification of boats and associated equipment and identification of boats to which 46 U.S.C. applies and 33 C.F.R. 187 prescribes the minimum owner, vessel, and record information requirements for States electing to participate in the Vessel Identification System (VIS). The Department has determined the rule is not more stringent than the corresponding federal laws.

For R12-4-506, Federal regulation 33 C.F.R. 173 is applicable to the subject of the rule. 33 C.F.R. 173.77 establishes that a certificate of number becomes invalid if the application contains false information or fees for the issuance of the certificate of number are not paid. A certificate of number is also invalid 60 days after the day the watercraft is no longer principally operated in the State where the certificate of number was issued or the person whose name appears on the certificate of number involuntarily loses their interest in the numbered watercraft by legal process. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-511, Federal regulation 33 C.F.R. 175 is applicable to the subject of the rule. 33 C.F.R. 175 establishes federal PFD regulations apply to all recreational vessels propelled or controlled by machinery, sails, oars, paddles, poles, or other vessels, to include defining “personal flotation device” and “PFD” prescribing the circumstances under which a PFD is required, specifications for size, fit, access, and serviceable condition. 33 C.F.R. 175.13(c) states, “No person may operate a recreational vessel under way with any child under 13 years old aboard unless each such child is either wearing an appropriate PFD approved by the U.S. Coast Guard or is below decks or in an enclosed cabin.” The Department has determined the rule is more stringent than the corresponding federal law in requiring a child who is on board a watercraft and is twelve years of age or under to wear a PFD whenever the watercraft is underway. However, A.R.S. § 5-331 (C) provides statutory authority to exceed the requirements of federal law and states, “A child twelve years of age or under on board a watercraft shall wear a United States coast guard approved type I, II or III personal flotation device whenever the watercraft is underway.”

For R12-4-513, Federal regulation 33 C.F.R. 174 is applicable to the subject of the rule. 33 C.F.R. 107 establishes the operator of a vessel shall submit the casualty or accident report prescribed in § 173.57 to the reporting authority prescribed in § 173.59 when, as a result of an occurrence that involves the vessel or its equipment damage to vessels and other property totals \$2,000 or ...” The Department has determined the rule is more stringent than the corresponding federal law. However, A.R.S. § 5-349(C) provides statutory authority to exceed the requirements of federal law and states, “For every other collision, accident or other casualty involving property damage exceeding five hundred dollars, a report shall be submitted within five days after the incident by the operator or owner of the watercraft involved.”



For R12-4-514, Federal regulation 33 C.F.R. 173 is applicable to the subject of the rule. 33 C.F.R. 173.21 establishes that no person may use a vessel subject to numbering requirements unless it has a number issued on a certificate of number by the issuing authority in the State of principal operation and the number is displayed on the vessel or, if leased or rented for noncommercial operation, a copy of the lease or rental agreement containing the vessel number that appears on the certificate of number and the period of time for which the vessel is leased or rented. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-515, Federal regulation 33 C.F.R. 173 and 33 C.F.R. 174 are applicable to the subject of the rule. 33 C.F.R. 173 prescribes requirements for numbering vessels and 33 C.F.R. 174 prescribes a standard numbering system for vessels. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-520, Federal regulation 33 C.F.R. 62 is applicable to the subject of the rule. 33 C.F.R. 62 prescribes the general characteristics of the U.S. Aids to Navigation System, and the details, policies and procedures employed by the U.S. Coast Guard in establishing, maintaining, operating, changing or discontinuing Federal aids to navigation. The Department has determined the rule is not more stringent than the corresponding federal law.

For R12-4-521, Federal regulation 33 C.F.R. 62 is applicable to the subject of the rule. 33 C.F.R. 62 prescribes the general characteristics of the U.S. Aids to Navigation System, and the details, policies and procedures employed by the U.S. Coast Guard in establishing, maintaining, operating, changing or discontinuing Federal aids to navigation. The Department has determined the rule is not more stringent than the corresponding federal law. Regulate the use of lights to mirror regulations under 33 C.F.R. 62.

For R12-4-522, Federal regulation 33 C.F.R. 62 is applicable to the subject of the rule. 33 C.F.R. 62 prescribes the general characteristics of the U.S. Aids to Navigation System, and the details, policies and procedures employed by the U.S. Coast Guard in establishing, maintaining, operating, changing or discontinuing Federal aids to navigation. The Department has determined the rule is not more stringent than the corresponding federal law.

**c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**

The agency has not received an analysis that compares the rule's impact of competitiveness of business in this state to the impact on business in other states.

**12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**

For R12-4-516(A)(2)(a), the Society of Automotive Engineers Recommended Practice stationary sound level test SAEJ2005, revised July 2004.

For R12-4-516(A)(2)(b), the Society of Automotive Engineers Recommended Practice stationary sound level test SAEJ2005, revised July 2004.

For R12-4-516(A)(3), the Society of Automotive Engineers Recommended Practice shoreline sound test SAEJ1970, revised September 2003.

For R12-4-520, 33 C.F.R. 62, revised July 1, 2004.

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

**TITLE 12. NATURAL RESOURCES  
CHAPTER 4. GAME AND FISH COMMISSION**

**ARTICLE 5. BOATING AND WATER SPORTS**

Section

- R12-4-501. Boating and Water Sports Definitions
- R12-4-502. Application for Watercraft Registration
- R12-4-503. Renewal of Watercraft Registration; Duplicate Watercraft Registration or Decal
- R12-4-504. Watercraft Fees; Penalty for Late Registration; Staggered Registration Schedule
- R12-4-505. Hull Identification Numbers
- R12-4-506. Invalidation of Watercraft Registration and Decals
- R12-4-507. Transfer of Ownership of an Abandoned or Unreleased Watercraft
- R12-4-509. Watercraft ~~Dealers~~; Agents
- R12-4-510. Refund of Fees Paid in Error
- R12-4-511. Personal Flotation Devices
- R12-4-513. Watercraft ~~Accident~~ Incident and Casualty Reports
- R12-4-514. Liveries
- R12-4-515. Display of AZ Numbers and Registration Decals
- R12-4-516. Watercraft Sound Level Restriction
- R12-4-517. Watercraft Motor and Engine Restrictions
- R12-4-520. Arizona ~~Uniform State Waterway Marking~~ Aids to Navigation System
- R12-4-521. ~~Placing or Tampering with Regulatory Markers or Aids to Navigation~~ Repeal
- R12-4-522. ~~Establishment of Controlled Use Markers~~ Repeal
- R12-4-524. Towed Water Skiing Sports
- R12-4-526. Unlawful Mooring
- R12-4-527. Transfer of Ownership of a Towed Watercraft
- R12-4-529. Nonresident Boating Safety Infrastructure Fees; Proof of Payment; ~~Decal~~
- R12-4-530. Third-party Providers; Agents



**ARTICLE 5. BOATING AND WATER SPORTS****R12-4-501. Boating and Water Sports Definitions**

In addition to the definitions provided under A.R.S. § 5-301, the following definitions apply to this Article unless otherwise specified:

“Abandoned watercraft” means any watercraft that has remained:

- On private property without the consent of the private property owner;
- Unattended for more than 48 hours on a highway, public street, or other public property;
- Unattended for more than 72 hours on state or federal lands; or
- Unattended for more than 14 days on state or federal waterways, unless in a designated mooring or anchorage area.

“Aids to navigation” means buoys, beacons, or other fixed objects placed on, in, or near the water to mark obstructions to navigation or to direct navigation through channels or on a safe course.

“Authorized third-party provider” means an entity that has been awarded a written agreement with the Department pursuant to a competitive bid process to perform limited or specific services on behalf of the Department.

“AZ number” means the Department-assigned identification number with the prefix “AZ.”

“Bill of sale” means a written agreement transferring ownership of a watercraft that includes all of the following information:

- Name of buyer;
- Name of seller;
- Manufacturer of the watercraft, when known;
- Hull identification number, unless exempt under R12-4-505;
- Purchase price and sales tax paid, when applicable; and
- Signature of seller.

“Boats keep out” in reference to a regulatory marker means the operator or user of a watercraft, or a person being towed by a watercraft on water skis, ~~a surfboard~~ an inflatable device, or similar ~~device~~ or equipment shall not enter.

“Certificate of number” means the Department-issued document that is proof that a motorized watercraft is registered in the name of the owner.

“Certificate of origin” means a document provided by the manufacturer of a new watercraft or its distributor, its franchised new watercraft dealer, or the original purchaser establishing the initial chain of ownership for a watercraft, such as but not limited to:

- Manufacturer’s certificate of origin (MCO);
- Manufacturer’s statement of origin (MSO);
- Importer’s certificate of origin (ICO);
- Importer’s statement of origin (ISO); or
- Builder’s certification (Form CG-1261).

“Controlled-use marker” means an anchored or fixed marker on the water, shore, or a bridge that controls the operation of watercraft, water skis, surfboards, or similar devices or equipment.

“Dealer” means any person who engages in whole or in part in the business of buying, selling, or exchanging new or used watercraft, or both, either outright or on conditional sale, consignment, or lease.

“Homemade watercraft” means a watercraft that is not fabricated or manufactured for resale and to which a manufacturer has not attached a hull identification number. If a watercraft is assembled from a kit or constructed from an unfinished manufactured hull and does not have a manufacturer assigned hull identification number it is a “homemade watercraft.”

“Hull identification number” means a number assigned to a specific watercraft by the manufacturer or by a government jurisdiction as prescribed by the U.S. Coast Guard.

“Junk watercraft” means any hulk, derelict, wreck, or parts of any watercraft in an unseaworthy or dilapidated condition that cannot be profitably dismantled or salvaged for parts or profitably restored.

“Letter of gift” means a document transferring ownership of a watercraft that includes all of the following information:

- Name of previous owner;
- Name of new owner;
- ~~Name of manufacturer~~ Manufacturer of the watercraft, when known;
- Hull identification number, unless exempt under R12-4-505;
- A statement that the watercraft is a gift; and
- Signature of previous owner.



“Livery” means a business authorized to rent or lease watercraft with or without an operator for recreational, non-commercial use as prescribed under A.R.S. § 5-371.

“Manufacturer” means any person engaged in the business of manufacturing or importing new watercraft for the purpose of sale or trade.

“Motorized watercraft” means any watercraft propelled by machinery and powered by electricity, fossil fuel, or steam.

“No ski” in reference to a regulatory marker means a person shall not be towed on water skis, an inflatable device, or similar equipment.

~~“Nonresident Boating Safety Infrastructure Decal” means the Department issued decal that is proof of payment of the fee authorized under A.R.S. § 5-327.~~

“No wake” in reference to a regulatory marker has the same meaning as “wakeless speed” as defined under A.R.S. § 5-301.

“Operate” in reference to a watercraft means use, navigate, or employ.

“Owner” in reference to a watercraft means a person who claims lawful possession of a watercraft by virtue of legal title or equitable interest that entitles the person to possession.

“Personal flotation device” means a U.S. Coast Guard approved ~~Type I, II, III, or V~~ wearable, or ~~Type IV~~ throwable device for use on any watercraft, as prescribed under A.R.S. §§ 5-331, 5-350(A), and R12-4-511.

“Regatta” means an organized water event of limited duration affecting the public use of waterways, for which a lawful jurisdiction has issued a permit.

“Registered owner” means the person or persons to whom a watercraft is currently registered by any jurisdiction.

“Registration decal” means the Department-issued decal that is proof of watercraft registration.

“Regulatory marker” means a waterway marker placed on, in, or near the water to indicate the presence of:

- A danger,
- A restricted or controlled-use area, or
- To convey general information and directions.

“Release of interest” means a statement surrendering or abandoning unconditionally any claim or right of ownership or use in a watercraft.

“Sound level” means the noise level measured in decibels on the A-weighted scale of a sound level instrument that conforms to recognized industry standards and is maintained according to the manufacturer’s instructions.

“Staggered registration” means the system of renewing watercraft registrations in accordance with the schedule provided under R12-4-504.

“State of principal operation” means the state in whose waters the watercraft is used or will be operated most during the calendar year.

“Throwable personal flotation device” means a U.S. Coast Guard approved Type IV device for use on any watercraft such as, but not limited to, a buoyant cushion, ring buoy, or horseshoe buoy.

“Unreleased watercraft” means a watercraft for which there is no written release of interest from the registered owner.

“Watercraft” means a boat or other floating device of rigid or inflatable construction designed to carry people or cargo on the water and propelled by machinery, oars, paddles, or wind action on a sail. Exceptions are sea-planes, makeshift contrivances constructed of inner tubes or other floatable materials that are not propelled by machinery, personal flotation devices worn or held in hand, and other objects used as floating or swimming aids.

“Watercraft agent” means a person authorized by the Department to collect applicable fees for the registration and numbering of watercraft.

“Watercraft registration” means the validated certificate of number and validating decals issued by the Department.

“Wearable personal flotation device” means a U.S. Coast Guard approved Type I, Type II, Type III, or Type V device for use on any watercraft such as, but not limited to, an off-shore life jacket, near-shore buoyant vest, special-use wearable device, or flotation aid.

**R12-4-502. Application for Watercraft Registration**

- A. Only motorized watercraft as defined under R12-4-501 are subject to watercraft registration.
- B. A person shall apply for watercraft registration under A.R.S. § 5-321 using a form furnished by the Department and available at any Department office or ~~online at www.azgfd.gov~~ on the Department’s website. The applicant shall provide the following information for registration of all motorized watercraft except homemade watercraft, which are addressed under subsection (C):
  1. Arizona residency certification statement, signed by the watercraft owner;
  - ~~2.~~ Type of watercraft;
  - ~~3.~~ Propulsion type;
  - ~~4.~~ Engine drive type;
  - ~~5.~~ Overall length of watercraft;
  - ~~6.~~ Make and model of watercraft, if known;



- ~~6-7.~~ Year built or model year, if known;  
~~7-8.~~ Hull identification number;  
~~8-9.~~ Hull material;  
~~9-10.~~ Fuel type;  
~~10-11.~~ Category of use;  
~~11-12.~~ Watercraft or AZ number previously issued for the watercraft, if any;  
~~12-13.~~ State of principal operation; and  
~~13-14.~~ For watercraft:
- a. Owned by ~~an individual~~ a person:
    - i. ~~Name;~~ Legal name;
    - ii. Mailing address; ~~and;~~
    - iii. Date of birth; ~~and~~
    - iv. Signature of each applicant.
  - b. Owned by a business:
    - i. Name of business;
    - ii. Business address; ~~and;~~
    - iii. Tax Identification Number; ~~and~~
    - iv. Signature and title of authorized representative on behalf of the business.
  - c. Held in a trust:
    - i. Name of trust;
    - ii. Primary trustee's address; ~~and~~
    - iii. Tax Identification Number, required when the trust is held by two or more persons;
    - ~~iii-iv.~~ Date of trust; and
    - iv. Signature of each trustee, unless the trust instrument authorizes the signature of one trustee to bind the trust.
- ~~14-15.~~ When ownership of the watercraft is in more than one name, the applicant shall indicate ownership designation by use of one of the following methods:
- a. Where ownership is joint tenancy with right of survivorship, the applicant shall use "and/or" between the names of the owners. To transfer registration of the watercraft, each owner shall provide a signature. Upon legal proof of the death or incompetency of either owner, the remaining owner may transfer registration of the watercraft.
  - b. Where ownership is a tenancy in common the applicant shall use "and" between the names of the owners. To transfer registration of the watercraft, each owner shall provide a signature. In the event of the death or incompetency of any owner, the disposition of the watercraft shall be handled through appropriate legal proceedings.
  - c. Where the ownership is joint tenancy or is community property with an express intent that either of the owners has full authority to transfer registration, the applicant shall use "or" between the names of the owners. Each owner shall sign the application for registration. To transfer registration, either owner's signature is sufficient for transfer.
- C. The builder, owner, or owners of a homemade watercraft shall present the watercraft for inspection at a Department office. The applicant shall provide the following information for registration of homemade watercraft, using the same ownership designations specified in subsection ~~(A)(14)~~ (A)(15):
1. Type of watercraft;
  2. Propulsion type;
  3. Engine drive type;
  4. Overall length of watercraft;
  5. Year built;
  6. Hull material;
  7. Fuel type;
  8. Category of use;
  9. Each owner's:
    - a. Name,
    - b. Mailing address, and
    - c. Date of birth;
  10. State of principal operation;
  11. Whether the watercraft was assembled from a kit or rebuilt from a factory or manufacturer's hull;
  12. Hull identification number, if assigned; and
  13. Signature of the applicant, acknowledged before a Notary Public or witnessed by a Department employee.
- D. As prescribed under A.R.S. § 5-321, the applicant shall submit a use tax receipt issued by the Arizona Department of Revenue with the application for registration unless any one of the following conditions apply:
1. The applicant is exempt from use tax as provided under A.A.C. Title 15, Chapter 5,
  2. The applicant is transferring the watercraft from another jurisdiction to Arizona without changing ownership,
  3. The applicant submits a bill of sale or receipt showing the sales or use tax was paid at the time of purchase, or
  4. The applicant submits a notarized affidavit of exemption stating that the acquisition of the watercraft was for rental or resale purposes.
- E. An applicant for a watercraft dealer registration authorized under A.R.S. § 5-322(F), shall be a business offering watercraft for sale or a watercraft manufacturer registered by the U.S. Coast Guard. A person shall display dealer registration for watercraft demonstration purposes only. For the purposes of this Section, "demonstration" means to operate a watercraft on the water for the purpose of selling, trading, negotiating, or attempting to negotiate the sale or exchange of interest in new watercraft, ~~which~~ and includes operation by a manufacturer for purposes of testing a watercraft. Demonstration does not include operation of a watercraft for personal purposes by



a dealer or manufacturer or an employee, family member, or an associate of a dealer or manufacturer. The watercraft dealer registration is subject to invalidation pursuant to R12-4-506 if a watercraft with displayed dealer registration is used for purposes other than those authorized under A.R.S. § 5-322(F) or this Section. A watercraft dealer registration applicant shall submit an application to the Department. The application is furnished by the Department and is available at any Department office. The applicant shall provide the following information on the application:

1. All business names used for the sale or manufacture of watercraft in Arizona;
2. Mailing address and telephone number for each business for which a watercraft dealer registration is requested;
3. Tax privilege license number;
4. U.S. Coast Guard manufacturer identification code, when applicable;
5. Total number of certificates of number and decals requested; and
6. The business owner's or manager's:
  - a. Name,
  - b. Business address,
  - c. Telephone number, and
  - d. Signature.

F. In addition to submitting the application form and any other information required under this Section, the applicant for watercraft registration shall submit one or more of the following additional forms of documentation:

1. Original title if the watercraft is titled in another state;
2. Original registration if the watercraft is from a non-titling state;
3. Bill of sale as defined under R12-4-501 if the watercraft has never been registered or titled in any state;
4. Letter of gift as defined under R12-4-501 if the watercraft was received as a gift and was never registered or titled in ~~another~~ any state;
5. Court order or other legal documentation establishing lawful transfer of ownership, ~~or~~
6. Letter of deletion, required when the watercraft was previously documented by the U.S. Coast Guard;
- 6-7. Statement of facts form furnished by the Department and available from any Department office when none of the documentation identified under subsections (F)(1) through (F)(5) exists either in the possession of the watercraft owner or in the records of any jurisdiction responsible for registering or titling watercraft. An applicant for watercraft registration under a statement of facts shall present the watercraft for inspection at a Department office. The statement of facts form shall include the following information:
  - a. Hull identification number,
  - b. Certification that the watercraft meets one of the following conditions:
    - i. The watercraft was manufactured prior to 1972, is 12 feet in length or less, and is not propelled by an inboard engine;
    - ii. The watercraft is owned by the applicant and has never been registered or titled;
    - iii. The watercraft was owned in a state that required registration, but was never registered or titled; or
    - iv. The watercraft was purchased, received as a gift, or received as a trade and has not been registered, titled, or otherwise documented in the past five years.
  - c. Signature of the applicant, acknowledged before a Notary Public or witnessed by a Department employee.
7. An original certificate of origin when all of the following conditions apply:
  - a. The watercraft was purchased as new,
  - b. The applicant is applying for watercraft registration within a year of purchasing the watercraft, and
  - c. The certificate of origin is not held by a lien holder.

G. If the watercraft is being transferred to a person other than the original listed owner, the applicant for a watercraft registration shall submit a release of interest. The Department may require the applicant to provide a release of interest that is acknowledged before a Notary Public or witnessed by a Department employee when the Department is unable to verify the signature on the release of interest.

H. If the original title is held by a lien holder, the applicant for a watercraft registration shall submit a form furnished by the Department and available from any Department office along with a copy of the title. The applicant shall comply with the following requirements when submitting the form:

1. The applicant shall provide the following information on the form:
  - a. Applicant's name,
  - b. Applicant's mailing address,
  - c. Watercraft make, and
  - d. Watercraft hull identification number.
2. The applicant shall ensure the lien holder provides the following information on the form:
  - a. Lien holder's name,
  - b. Lien holder's mailing address,
  - c. Name of person completing the form for the lien holder,
  - d. Title of person completing the form for the lien holder, and
  - e. Signature of the person completing the form for the lien holder, acknowledged before a Notary Public or witnessed by a Department employee.

~~I. The Department shall issue a watercraft registration within 30 calendar days of receiving a valid application and documentation required by this Section, whether from the applicant or from a watercraft agent authorized under R12-4-509.~~

~~J. If the watercraft's original title or registration is lost, the Department shall register a watercraft, if the watercraft's original title or registration is lost, upon receipt of one of the following:~~

1. A letter or printout from any jurisdiction responsible for registering or titling watercraft that verifies the owner of record for that specific watercraft;



2. A printout of the Vessel Identification System for that specific watercraft from the U.S. Coast Guard and verification from the appropriate state agency that the information regarding the owner of record for that specific watercraft is correct and current;
  3. A statement of facts by the applicant as described under subsection (F)(6) if the watercraft has not been registered, titled, or otherwise documented in the past five years; or
  4. The abandoned or unreleased watercraft approval letter issued by the Department, as established under R12-4-507(I).
- J.** The Department shall issue a watercraft registration within 30 calendar days of receiving a valid application and the documentation required under this Section from the applicant or a watercraft agent authorized under R12-4-509.
- K.** All watercraft registrations and supporting documentation are subject to verification by the Department and to the requirements established under R12-4-505. The Department shall require a watercraft to be presented for inspection to verify the information provided by an applicant if the Department has reason to believe the information provided by the applicant is inaccurate or the applicant is unable to provide the required information.
- L.** The Department shall deem an application invalid if the Department receives legal documentation of any legal action that may affect ownership of the watercraft.
- M.** The Department shall invalidate a watercraft registration if the registration is obtained by an applicant who makes a false statement or provides false information on any application, statement of facts, or written instrument submitted to the Department.

**R12-4-503. Renewal of Watercraft Registration; Duplicate Watercraft Registration or Decal**

- A.** The owner of a registered watercraft shall ~~ensure~~ renew the watercraft's registration ~~is renewed~~ no later than the day before the prior registration period expires.
- ~~B.1.~~ To renew a watercraft's registration in person or by mail, an applicant shall pay the registration fee authorized under ~~A.R.S. § 5-321~~ R12-4-504 and present one of the following:
- ~~1-a.~~ Current or prior certificate of number,
  - ~~2-b.~~ Valid driver's license,
  - ~~3-c.~~ Valid Arizona Motor Vehicle Division identification card,
  - ~~4-d.~~ Valid passport, or
  - ~~5-e.~~ Department-issued renewal notice.
- ~~C.2.~~ To renew a watercraft's registration online, an applicant shall electronically pay the registration fee authorized under ~~A.R.S. § 5-321~~ R12-4-504, provide the assigned Arizona watercraft AZ number of the watercraft being renewed, and provide one of the following to the Department or its agent:
- ~~1-a.~~ Department-assigned authorization number,
  - ~~2-b.~~ Applicant's date of birth, or
  - ~~3-c.~~ Applicant's password.
- B.** The owner of a registered watercraft may obtain a duplicate watercraft registration or decal in person or by mail. To obtain a duplicate watercraft registration or decal in person or by mail, an applicant shall:
1. Complete and submit an application for a duplicate certificate and/or decal form to the Department or its authorized agent, available from any Department office and on the Department's website; and
  2. Pay the duplicate watercraft registration fee authorized under R12-4-504.
- C.** If made available by the Department, the owner of a registered watercraft may obtain a duplicate watercraft registration or decal online. To obtain a duplicate watercraft registration or decal:
1. Pay the duplicate watercraft registration fee authorized under R12-4-504;
  2. Provide the assigned Arizona watercraft AZ number of the watercraft, and one of the following:
    - a. Applicant's date of birth, or
    - b. Applicant's password.
- D.** When a watercraft registration is renewed by mail or online, the Department shall mail the renewal to the address of record, unless the Department receives a notarized request from the registered owner instructing the Department to mail the renewal to another address. When a request for a watercraft registration renewal or duplicate watercraft registration or decal is submitted by mail or online, the Department shall mail the registration or decal, as applicable, to the address of record, unless the Department receives a notarized request from the registered owner instructing the Department to mail the duplicate registration or decal to another address.

**R12-4-504. Watercraft Fees; Penalty for Late Registration; Staggered Registration Schedule**

- A.** The following fees are required, when applicable as authorized under A.R.S. §§ 5-321 and 5-322:
1. Motorized watercraft registration fees are assessed as follows:
    - a. Twelve feet and less: \$20
    - b. Twelve feet one inch through sixteen feet: \$22
    - c. Sixteen feet one inch through twenty feet: \$30
    - d. Twenty feet one inch through twenty-six feet: \$35
    - e. Twenty-six feet one inch through thirty-nine feet: \$39
    - f. Thirty-nine feet one inch through sixty-four feet: \$44
    - g. Sixty-four feet one inch and over: \$66
    - h. For the purposes of this subsection, the length of the motorized watercraft shall be measured in the same manner prescribed under A.R.S. § 5-321(C).
  2. Motorized watercraft transfer fee: \$4.
  3. Duplicate motorized watercraft registration: \$2.
  4. Duplicate decal: \$2.
  5. Watercraft dealer certificate of number: \$2.50.
- B.** The Department or its agent shall collect the entire registration fee for a late registration renewal and a penalty fee of \$5, unless exempt under A.R.S. § 5-321(L); or ~~unless~~ the expiration date falls on a Saturday, Sunday, or state holiday, and the registration is



renewed before the close of business on the next working day. The Department or its agent shall not assess a penalty fee when a renewal is mailed before the expiration date, as evidenced by the postmark.

- C. All new watercraft registrations expire 12 months after ~~they are issued~~ the date of issue.
- D. Resident and nonresident watercraft registration renewals ~~expire~~:
  1. Shall be valid for a period of 7 to 18 months depending on the expiration month.
    - a. This provision applies to the initial renewal period only.
    - b. The Department shall prorate fees accordingly.
  2. May be renewed up to six months prior to the expiration month.
  3. Shall expire on the last day of the month indicated by the last two numeric digits of the AZ number, as shown in the following table:

Last two numeric digits of AZ number									Expiration month
00	12	24	36	48	60	72	84	96	December
01	13	25	37	49	61	73	85	97	January
02	14	26	38	50	62	74	86	98	February
03	15	27	39	51	63	75	87	99	March
04	16	28	40	52	64	76	88		April
05	17	29	41	53	65	77	89		May
06	18	30	42	54	66	78	90		June
07	19	31	43	55	67	79	91		July
08	20	32	44	56	68	80	92		August
09	21	33	45	57	69	81	93		September
10	22	34	46	58	70	82	94		October
11	23	35	47	59	71	83	95		November

- E. Watercraft dealer, manufacturer, and governmental use registration renewals expire on October 31 of each year.
- F. Livery and all other commercial use registration renewals expire on November 30 of each year.

**R12-4-505. Hull Identification Numbers**

- A. The Department shall not register a watercraft without a hull identification number.
- B. The Department shall verify watercraft manufactured after November 1, 1972; have a primary hull identification number that complies with the requirements established under 33 ~~CFR~~ C.F.R. 181, subpart C. The Department shall assign a hull identification number when the watercraft hull identification number does not meet the requirements established under 33 ~~CFR~~ C.F.R. 181, subpart C.
- C. The hull identification number shall be fully visible and unobstructed at all times. Watercraft manufactured prior to August 1, 1984, are exempt from this requirement provided the obstruction is original equipment and was attached by the manufacturer.
- D. The Department shall assign a hull identification number to a watercraft with a missing hull identification number only if the Department determines:
  1. The hull identification number was not intentionally or illegally removed or altered, unless the application is accompanied by an order of forfeiture, order of seizure, or other civil process; or
  2. The missing hull identification number was caused by error of the manufacturer or a government jurisdiction ~~or failure of a previous owner of a watercraft to comply with this rule~~, or because the watercraft is a homemade watercraft as defined under R12-4-501.
- E. The Department may assign a hull identification number within 30 days of receipt of a valid application, as described under R12-4-502.
- F. The Department may accept a bill of sale presented with a missing or ~~improper~~ nonconforming hull identification number for registration purposes only ~~if when~~:
  1. ~~# The HIN matches the improper nonconforming hull identification number or there is no hull identification number on the watercraft;~~
  2. Supporting evidence exists that the seller is the owner of the watercraft.
  3. The watercraft is homemade and does not have a hull identification number; or
  4. The watercraft was manufactured prior November 1, 1972.
  2. ~~A hull identification number is issued by the Department under subsection (D).~~
- G. Within 30 days of issuance, the applicant or registered owner shall:
  1. Burn, carve, stamp, emboss, mold, bond, or otherwise permanently affix each hull identification number to a non-removable part of the watercraft in a manner that ensures any alteration, removal, or replacement will be obvious.
  2. Ensure the characters of each hull identification number affixed to the watercraft are no less than 1/4 inch in height.
  3. Permanently affix the hull identification number as follows:
    - a. On watercraft with transoms, affix the hull identification number to the right or starboard side of the transom within two inches of the top of the transom or hull/deck joint, whichever is lower.
    - b. On watercraft without a transom, affix the hull identification number to the starboard outboard side of the hull, back or aft within one foot of the stern and within two inches of the top of the hull, gunwale, or hull/deck joint, whichever is ~~lowest~~ lower.



- c. On a catamaran or pontoon boat, affix the hull identification number on the aft crossbeam within one foot of the starboard hull attachment.
  - d. As close as possible to the applicable location established under subsections (a), (b), or (c) when rails, fittings, or other accessories obscure the visibility of the hull identification number.
  - e. Affix a duplicate of the visibly affixed hull identification number in an unexposed location on a permanent part of the hull.
4. Certify to the Department that the hull identification number was permanently affixed to the watercraft ~~as required under subsection (G)~~. The certification statement is furnished by the Department when ~~the~~ a hull identification number is issued. The certification statement shall include the location of the permanently affixed hull identification number.

**R12-4-506. Invalidation of Watercraft Registration and Decals**

- A. Any watercraft registration obtained by fraud or misrepresentation is invalid from the date of issuance.
- B. A certificate of number and any decals issued by the Department under R12-4-502 ~~and R12-4-529~~ are invalid if any of the following occurs:
  1. Any check, money order, or other currency certificate presented to the Department for payment of watercraft registration or renewal is found to be non-negotiable;
  2. Any person whose name appears on the certificate of number loses ownership of the watercraft by legal process;
  3. Arizona is no longer the state of principal operation;
  4. The watercraft is documented by the U.S. Coast Guard;
  5. An applicant provides incomplete or incorrect information to the Department and fails to provide the correct information within 30 days after a request by the Department;
  6. The Department revokes the certificate of number, AZ numbers, and decals as provided under A.R.S. § 5-391(I); ~~or~~
  7. The Department or its agent erroneously issued a certificate of number or any decals;
  8. A watercraft bearing a dealer registration is used for any purpose not authorized under R12-4-502(E); or
  9. A watercraft registered or used as a livery is operated in violation of A.R.S. § 5-371 or R12-4-514.
- C. A person shall surrender the invalid certificate of number and decals to the Department within 15 calendar days of receiving written ~~notification~~ determination from the Department that the certificate of number or decals are invalid, unless the person appeals the Department's determination to the Commission as prescribed under A.R.S. Title 41, Chapter 6, Article 10.
- D. The Department shall not validate or renew an invalid watercraft registration or decals until the reason for invalidity is corrected or no longer exists.

**R12-4-507. Transfer of Ownership of an Abandoned or Unreleased Watercraft**

- A. A person who has knowledge and custody of a watercraft abandoned on private property owned by that person may attempt to obtain ownership of the watercraft by way of the abandoned watercraft transfer process. A lienholder of foreclosed real property may assign an agent to act on its behalf.
- B. The last registered owner of an abandoned or unreleased watercraft is presumed to be responsible for the watercraft, unless the watercraft is reported stolen.
- C. The operator of a self-storage facility located in this state and having a possessory lien shall comply with the requirements prescribed under A.R.S. Title 33, Chapter 15, Article 1 when attempting to obtain ownership of a watercraft abandoned while in storage.
- D. A person having a possessory lien under a written rental agreement shall comply with the requirements prescribed under A.R.S. Title 33, Chapter 7, Article 6 when attempting to obtain ownership of a watercraft for which repairs or service fees remain unpaid.
- E. Only a person acting within the scope of official duties as an employee or authorized agent of a government agency may order the removal of a watercraft abandoned on public property or a public waterway.
- F. A person seeking ownership of an abandoned or unreleased watercraft shall submit an application to the Department. The application is furnished by the Department and available at any Department office. The application shall include the following information, if available:
  1. Hull identification number, unless exempt under R12-4-505;
  2. Registration number;
  3. Decal number;
  4. State of registration;
  5. Year of registration;
  6. Name, address, and daytime telephone number of the person who found the watercraft;
  7. For abandoned watercraft:
    - a. Address or description of the location where the watercraft was found,
    - b. Whether the watercraft was abandoned on private or public property, and
    - c. When applicable, for watercraft abandoned on private property, whether the applicant is the legal owner of the property;
  8. Condition of the watercraft: wrecked, stripped, or intact;
  9. State in which the watercraft will be operated;
  10. Length of time the watercraft was abandoned;
  11. Reason why the applicant believes the watercraft is abandoned; and
  12. Signature of the applicant, acknowledged before a Notary Public or witnessed by a Department employee.
- G. This state and its agencies, employees, and agents are not liable for relying in good faith on the contents of the application.
- H. The Department shall attempt to determine the name and address of the registered owner by:
  1. Conducting a search of its watercraft database when documentation indicates the watercraft was previously registered in this state, or
  2. Requesting the watercraft record from the other state when documentation indicates the watercraft was previously registered in another state.



- I. If the Department is able to determine the name and address of the registered owner, the Department shall send written notice of the applicant’s attempt to register the watercraft to the owner by certified mail, return receipt requested.
  - 1. If service is successful or upon receipt of a response from the registered owner, the Department shall send the following written notification to the applicant, as appropriate:
    - a. If the registered owner provides a written release of interest in the watercraft, the Department shall mail the release of interest and an abandoned or unreleased watercraft approval letter to the applicant. The applicant shall apply for watercraft registration in compliance with the requirements established under R12-4-502.
    - b. If the registered owner provides written notice to the Department refusing to release interest in the watercraft, the Department shall notify the applicant of the owner’s refusal. The Department shall not register the watercraft to the applicant unless the applicant provides proof of ownership and complies with the requirements established under R12-4-502.
    - c. If the registered owner does not respond to the notice in writing within 30 days from the date of receipt, the Department shall notify the applicant of the owner's failure to respond. The Department shall not register the watercraft to the applicant unless the applicant provides proof of ownership and complies with the requirements established under R12-4-502;
    - d. If the registered owner does not respond to the notice within 180 days from the date of receipt of the notice, this failure to act shall constitute a waiver of interest in the watercraft by any person having an interest in the watercraft, and the watercraft shall be deemed abandoned for all purposes. The Department shall mail an abandoned or unreleased watercraft approval letter to the applicant. The applicant shall apply for watercraft registration in compliance with the requirements established under R12-4-502.
  - 2. If the written notice is returned unclaimed or refused, the Department shall notify the applicant within 15 days of the notice being returned that the attempt to contact the registered owner was unsuccessful.
- J. If the Department is unable to identify or serve the registered owner, the Department shall publish a notice of intent ~~once in a newspaper or other publication of general circulation in this state~~ on the Department's website within 45 days of the Department’s notification to the applicant as provided in subsection (I)(2).
  - 1. The ~~published~~ notice shall include a statement of the Department’s intent to transfer ownership of the watercraft ten days after the date of publication, unless the Department receives notice from the registered owner refusing to release interest in the watercraft within that ten day period following publication.
  - 2. ~~Upon request, the Department shall make available to the public a description of the abandoned or unreleased watercraft subject to transfer of ownership.~~
  - 3. ~~2.~~ If the watercraft remains unclaimed after the ten day period, the Department shall mail an abandoned or unreleased watercraft approval letter to the applicant. The applicant shall apply for watercraft registration in compliance with the requirements established under R12-4-502.
- K. A government agency may submit an application for authorization to dispose of a junk watercraft abandoned on state or federal lands or waterways. The application is furnished by the Department and is available at any Department Office. Upon receipt of the application, the Department shall attempt to determine the name and address of the registered owner. If the Department is unable to identify and serve the registered owner, the Department shall publish a notice of intent to authorize the disposal of the junk watercraft as described ~~in~~ under subsection (J).
  - 1. The published notice shall include a statement of the Department’s intent to authorize the disposal of the watercraft ten days after the date of publication, unless the Department receives notice from the registered owner refusing to release interest in the watercraft within that ten day period following publication.
  - 2. If the watercraft remains unclaimed after the ten day period, the Department shall mail an authorization to dispose of the junk watercraft to the government agency. The government agency may dispose of the abandoned watercraft and all indicia for that watercraft in any manner the agency determines expedient or convenient.

**R12-4-509. Watercraft Dealers; Agents**

- A. The Department has the authority to authorize a watercraft dealer to act as an agent on behalf of the Department for the purpose of issuing temporary certificates of number valid for ~~30~~ 45 days for new or used watercraft, provided:
  - 1. The applicant’s previous authority to act as a watercraft agent under A.R.S. § 5-321(I) has not been canceled by the Department within the preceding 24 months, and
  - 2. The applicant is a business located and operating within this state and sells watercraft ~~for an identified manufacturer.~~
- B. An applicant seeking watercraft ~~dealer agent~~ authorization shall submit an application to the Department. The application is furnished by the Department and available at the Arizona Game and Fish Department, 5000 W. Carefree Highway, Phoenix, AZ 85086. The applicant shall provide the following information on the application:
  - 1. Principal business or corporation name, address, and telephone number or if not a corporation, the full name, address, and telephone number of all owners or partners;
  - 2. Name, address, and telephone number of the owner or manager responsible for compliance with this Section;
  - 3. Whether the applicant has previously issued temporary certificates of number under A.R.S. § 5-321(I);
  - 4. All of the following information specific to the location from which new watercraft are to be sold and temporary certificates of number issued:
    - a. Name of owner or manager;
    - b. Business hours;
    - c. Business telephone number;
    - d. Business type;
    - e. Storefront name; and
    - f. Street address;
  - 5. Manufacturers of the watercraft to be ~~distributed~~ sold; and
  - 6. Signature of person named under subsection (B)(2).
- C. The Department shall either approve or deny the application within the licensing time-frame established under R12-4-106.





- D.** Authorization to act as a watercraft agent is specific to the dealer's business location designated on the application and approved by the Department, unless the dealer is participating in a scheduled, advertised boat show for the purpose of selling watercraft.
- ~~**D-E.** The watercraft dealer agent shall:~~
1. Use the assigned watercraft dealer agent number when issuing a temporary certificate of number,
  2. Use the online application system ~~or~~ and forms supplied by the Department; and
  3. Collect the appropriate fee as prescribed under ~~A.R.S. §§ 5-321 and 5-327~~ R12-4-504.
- ~~**E.** Authorization to act as a watercraft agent is specific to the dealer's business location designated on the application and approved by the Department, unless the dealer is participating in a scheduled, advertised boat show for the purpose of selling watercraft.~~
- E.** A watercraft agent is prohibited from issuing a temporary certificate of number for a watercraft when:
1. The watercraft is involved in legal proceedings such as, but not limited to, a marital dissolution, probate, or bankruptcy proceeding;
  2. The watercraft is abandoned or unreleased;
  4. The watercraft is homemade; or
  5. The watercraft has a nonconforming HIN.
- ~~**F.** A watercraft dealer shall not destroy prenumbered temporary certificate of number applications provided by the Department. The watercraft dealer shall mark the unused prenumbered application "void," and return the application to the Department with the monthly report required under subsection (J).~~
- ~~**G.** The Department shall provide any requested supplies within 30 calendar days after receipt of the watercraft dealer's request form. The watercraft dealer shall verify the requested supplies were received within seven days of receipt.~~
- ~~**H-G.** A watercraft dealer agent issuing a temporary certificate of number to the purchaser of a new watercraft shall comply with all the following:~~
1. The watercraft dealer agent shall obtain ~~an~~ a completed application if the watercraft is purchased from the dealer or the applicant's bill of sale containing the following information:
    - a. ~~Statement that the watercraft is new;~~
    - b. ~~Names and addresses of the buyer and seller;~~
    - e. ~~Date of purchase;~~
    - d. ~~Amount of sales tax paid;~~
    - e. ~~Purchase price;~~
    - f. ~~Make and model of watercraft, if known;~~
    - g. ~~Engine drive type;~~
    - h. ~~Length of the watercraft;~~
    - i. ~~Year of manufacture; and~~
    - j. ~~Hull identification number that complies with the requirements established under R12-4-502.~~
  2. The watercraft dealer agent shall identify to the applicant the state registration fee and the nonresident boating safety infrastructure fee, when applicable, separately from any other costs.
  3. The state's fees shall be submitted electronically to the Department prior to the submission of the documentation required under subsection (G)(4).
  - 3-4. Within 72 hours after five business days of issuing a temporary certificate of number, a watercraft dealer agent shall deliver or mail the legible original application, a legible original or copy of the bill of sale, the original certificate of origin, and the state's fees and the following documentation to the Arizona Game and Fish Department, Watercraft Agent Representative, 5000 W. Carefree Highway, Phoenix, AZ 85086:
    - a. For a new watercraft:
      - i. Original application;
      - ii. Original or copy of the bill of sale issued by the watercraft agent; and
      - iii. Original certificate of origin;
    - b. For a used watercraft:
      - i. Original application;
      - ii. Original or copy of the bill of sale issued by the watercraft agent;
      - iii. Ownership document, such as but not limited to a title, bill of sale, letter of gift or U.S. Coast Guard letter of deletion when the watercraft was previously documented by the U.S. Coast Guard; and
      - iv. Lien release, when applicable.
  4. ~~The state's fees shall be submitted by check or money order with the required documentation or electronically prior to the submission of the required documentation.~~
- ~~**I.** The Department shall accept online applications or prenumbered temporary certificate of number application forms provided to the watercraft dealer by the Department, as established under R12-4-502.~~
- ~~**J.** By the 10th day of each month, a watercraft dealer shall submit a report of activity for the previous month to the Department on a form furnished by the Department and available at the Department office listed under subsection (H)(3). The watercraft dealer shall submit the report whether or not any activity occurred during the reporting period. The report shall include all of the following:~~
1. ~~Name and address of the watercraft dealer;~~
  2. ~~Department assigned watercraft agent number;~~
  3. ~~For each temporary certificate of number issued:~~
    - a. ~~Application number;~~
    - b. ~~Name of the purchaser;~~
    - e. ~~Hull identification number; and~~
    - d. ~~Date of issuance; and~~
  4. ~~A list of any voided or missing application numbers, with explanation.~~



5. A watercraft dealer who processes all transactions using the Department's online application system is exempt from subsection (J).

~~K-H.~~ The Department may cancel the watercraft dealer's agent's authorization and demand the return of or collect all supplies issued to the agent if the dealer agent does any one of the following:

1. Fails to comply with the requirements established under this Article;
2. Submits more than one check, draft, order, or electronic payment dishonored because of insufficient funds, payments stopped, or closed accounts to the Department within a calendar year;
3. Predates, postdates, alters, or provides or knowingly allows false information to be provided on or with an application for a temporary certificate of number; or
4. Issues a temporary certificate of number for a used watercraft;
- 5-4. Falsifies the application for authorization as a watercraft agent; or
6. Falsifies the monthly report required by subsection (J).

~~L.~~ Denial of a dealer's application to become a watercraft agent, or cancellation of watercraft agent status by the Department may be appealed to the Commission as prescribed under A.R.S. Title 41, Chapter 6, Article 10.

~~L.~~ The Department shall provide a written notice to the applicant person stating the reason for the denial or cancellation of watercraft agent status, as applicable. The person may appeal the denial or cancellation to the Commission as prescribed under A.R.S. Title 41, Chapter 6, Article 10.

**R12-4-510. Refund of Fees Paid in Error**

A. The Department shall issue a refund for watercraft fees paid in error under the following circumstances, the Department shall issue a refund for the watercraft registration renewal fee and, when applicable, the Nonresident Boating Safety Infrastructure fee when:

1. ~~The Department shall issue a refund for the watercraft registration renewal fee and, when applicable, the Nonresident Boating Safety Infrastructure fee when the~~ The registered owner has erroneously paid those fees twice for the same watercraft.
2. ~~The Department shall issue a refund for the watercraft registration renewal fee and, when applicable, the Nonresident Boating Safety Infrastructure fee when the~~ The registered owner has erroneously paid those fees for a watercraft that has already been sold to another individual.
3. The registered owner registered the watercraft in error.

B. To request a refund of fees paid in error, the person applying for the refund shall surrender all of the following to the Department:

1. Original certificate of number;
2. Registration decals; and
3. Nonresident Boating Safety Infrastructure Decal, when applicable.

C. A person requesting a refund of fees under subsections (A)(1) or (A)(2) shall submit the request to the Department within 30 calendar days of the date the payment was received by the Department.

D. The Department shall not refund ~~a late registration penalty fee:~~

1. A late registration penalty fee.
2. A fee collected by an authorized third-party provider. A person who paid their watercraft registration fee to a third-party provider shall request a refund of fees from that third-party provider.

**R12-4-511. Personal Flotation Devices**

A. For the purpose of this Section, "wear" means:

1. The personal flotation device is worn according to the manufacturer's design or recommended use;
2. All of the device's closures are fastened, snapped, tied, zipped, or secured according to the manufacturer's design or recommended use; and
3. The device is adjusted for a snug fit.

B. The operator of a canoe, kayak, or other watercraft shall ensure the ~~canoe, kayak, or other~~ watercraft is equipped with at least one ~~appropriately~~ correctly-sized, U.S. Coast Guard-approved, wearable personal flotation device that is in good and serviceable condition for each person on board the ~~canoe, kayak, or other~~ watercraft. The operator of a ~~canoe, kayak or other~~ any watercraft shall also ensure the wearable personal flotation devices on board the ~~canoe, kayak or other~~ watercraft are readily accessible and available for immediate use. ~~The following wearable personal flotation devices are approved by the U.S. Coast Guard:~~

1. ~~Type I Personal Flotation Device: off-shore life jacket;~~
2. ~~Type II Personal Flotation Device: near-shore buoyancy vest;~~
3. ~~Type III Personal Flotation Device: flotation aid; and~~
4. ~~Type V Special Use Device.~~

C. In addition to the personal flotation devices described under subsection (B), the operator of a watercraft that is 16 feet or more in length shall ensure the watercraft is also equipped with a U.S. Coast Guard-approved ~~Type IV Personal Flotation Device~~ throwable personal flotation device: buoyant cushion, ring buoy, or horseshoe buoy. Canoes and kayaks are not subject to this subsection.

D. The operator of a watercraft shall ensure ~~an individual~~ a person twelve years of age or under on board a watercraft shall wear a U.S. Coast Guard approved ~~type I, II or III~~ wearable personal flotation device whenever the watercraft is underway.

E. The operator of a personal watercraft shall ensure each ~~individual~~ person aboard the personal watercraft is wearing a wearable personal flotation device approved by the U.S. Coast Guard whenever the personal watercraft is underway.

F. Subsections (B), (C), and (D) do not apply to the operation of a racing shell or rowing skull during competitive racing or supervised training, if the racing shell or rowing skull is manually propelled, recognized by a national or international association for use in competitive racing, and designed to carry and does carry only equipment used solely for competitive racing.

**R12-4-513. Watercraft Accident Incident and Casualty Reports**

A. The operator or owner of a watercraft involved in any collision, ~~accident~~ incident or other casualty resulting in injury, death, or property damage exceeding \$500 shall submit the report required under A.R.S. § 5-349 to the Department. The report shall be made on a



form furnished by the Department ~~and~~ or provided by the law enforcement officer investigating the collision, incident, or other casualty. The operator or owner of the watercraft shall complete the form in full and clearly identify on the form any information that is either not applicable or unknown. The operator or owner of the watercraft submitting the report shall provide all of the following information: required under

1. ~~The operator's personal information;~~
  2. ~~The owner's personal information;~~
  3. ~~The operator's hours of experience in operating watercraft;~~
  4. ~~The operator's amount of boating safety instruction;~~
  5. ~~Information on the watercraft involved;~~
  6. ~~Information on the accident;~~
  7. ~~Estimated cost of damage to the watercraft;~~
  8. ~~Whether the watercraft sank, and if so, information regarding the recovery of the watercraft;~~
  9. ~~Information regarding U.S. Coast Guard-approved personal flotation devices;~~
  10. ~~Information regarding fire extinguishers;~~
  11. ~~Personal information for operators and owners of each of the other watercraft involved in the accident;~~
  12. ~~Personal information for persons killed or injured in the accident;~~
  13. ~~Personal information for all passengers in the watercraft;~~
  14. ~~The location of passengers, skiers, and swimmers at the time of the accident;~~
  15. ~~Information regarding damage to property other than any of the watercraft involved;~~
  16. ~~Contact information for any witnesses other than passengers;~~
  17. ~~A diagram and narrative explaining the accident;~~
  18. ~~Contact information for the person completing the form;~~
  19. ~~The signature of the person completing the form;~~
  20. ~~The date the person completing the form submits the form to the Department; and~~
  21. ~~Any other information required by the Department to ensure compliance with 33 CFR C.F.R. 173.57.~~
- B. The person completing the form shall deliver or mail the form to the Arizona Game and Fish Department, Law Enforcement Branch at 5000 W. Carefree Hwy, Phoenix, AZ 85086.
- C. The operator or owner of a watercraft involved in any collision, ~~accident~~ incident or other casualty resulting in injury or death shall submit the report to the Department no later than 48 hours after the incident.
- D. The operator or owner of a watercraft involved in any collision, ~~accident~~ incident or other casualty resulting only in property damage exceeding \$500 shall submit the report to the Department no later than five days after the incident.

#### R12-4-514. Liveries

- ~~A.~~ A person who rents, leases, or offers any watercraft for compensation, with or without an operator, for recreational, non-commercial use shall register the watercraft as a livery as established under R12-4-502.
- ~~AB.~~ As prescribed under A.R.S. § 5-371, a ~~A~~ watercraft owned by a boat livery that requires registration and does not have the certificate of number on board shall be identified while in use by means of a ~~receipt~~
1. Placard or some other form of display that is affixed to the watercraft and is visible when the watercraft is underway. The placard or other form of display shall indicate the business name and current phone number of the livery.
  2. Receipt provided by the livery to the person operating the rented watercraft. The receipt shall contain the following information:
    - ~~1-a.~~ Business name and address of the livery as shown on the certificate of number,
    - ~~2-b.~~ Watercraft registration number as issued by the Department,
    - ~~3-c.~~ Beginning date and time of the rental period, and
    - ~~4-d.~~ Written acknowledgment on the receipt of compliance with the requirements prescribed under A.R.S. § 5-371, signed by both the livery operator or ~~the livery's~~ their agent and the renter.
- ~~BC.~~ The ~~A~~ person operating ~~the a~~ rented or leased watercraft or operating a passenger for hire watercraft shall carry the registration or receipt onboard and produce it upon request to any peace officer.
- ~~D.~~ Failure to comply with the requirements prescribed under A.R.S. § 5-371 and this Section may result in the invalidation of the watercraft registration and decals as provided under A.R.S. § 5-391(A) and R12-4-506.

#### R12-4-515. Display of AZ Numbers and Registration Decals

- A. A person shall not use ~~or~~ operate, moor, anchor, or grant permission to use ~~or~~ operate, moor, or anchor a watercraft on the boundaries of this state unless such watercraft displays a valid number and current registration decal in the manner ~~as~~ established under subsection (B). This Section does not apply to undocumented watercraft displaying a valid temporary numbering certificate authorized under R12-4-509 or exempt under A.R.S. § ~~3-322~~ 5-322.
- B. The owner of a watercraft shall ensure display the AZ number and registration decals ~~are displayed~~ as follows:
1. The AZ numbers shall:
    - a. Be clearly visible and painted on or attached to each exterior side of the forward half of a non-removable portion of the watercraft;
    - b. Be in a color that contrasts with the watercraft's background color so as to be easily read from a distance;
    - c. Include the letters "AZ" and the suffix, separated by a hyphen or equivalent space between the letters "AZ" and the suffix; and
    - d. Read from left to right in well-proportioned block letters that are not less than three inches in height, excluding outline.
  2. The registration decals shall be affixed three inches in front of "AZ" on both sides of the forward half of a non-removable portion of the watercraft.



- C. On watercraft so constructed that it is impractical or impossible to display the AZ numbers in a prominent position on the forward half of the hull or permanent superstructure, the AZ numbers may be displayed on brackets or fixtures securely attached to the forward half of the watercraft.
- D. Persons possessing a dealer watercraft certificate of number issued under A.R.S. § 5-322(F) shall visibly display the AZ numbers and validating registration decals as established under this Section, except that the numbers and decals may be printed or attached to temporary, removable signs that are securely attached to the watercraft being demonstrated.
- E. Expired registration decals issued by any jurisdiction shall be covered or removed from the watercraft, so that only the current registration decals are visible.
- F. Invalid watercraft AZ numbers and registration decals shall not be displayed on any watercraft. The owner of the watercraft shall surrender the AZ numbers and registration decals to the Department in compliance with R12-4-506(C).

**R12-4-517. Watercraft Motor and Engine Restrictions**

- A. A person operating a motorized watercraft on the following waters shall use an electric motor, only, not exceeding 10 manufacturer-rated horsepower:
  - 1. Ackre Lake
  - 2. Bear Canyon Lake
  - 3. Bunch Reservoir
  - 4. Carnero Lake
  - 5. Chaparral Park Lake
  - 6. Cluff Ponds
  - 7. Coconino Reservoir
  - 8. Coors Lake
  - 9. Dankworth Pond
  - 10. Dogtown Reservoir
  - 11. Fortuna Lake
  - 12. Goldwater Lake
  - 13. Granite Basin Lake
  - 14. Horsethief Basin Lake
  - 15. Hulsey Lake
  - 16. J.D. Dam Lake
  - 17. Knoll Lake
  - 18. Lee Valley Lake
  - 19. McKellips Park Lake
  - 20. Pratt Lake
  - 21. Quigley Lake
  - 22. Redondo Lake
  - 23. Riggs Flat Lake
  - 24. Roper Lake
  - 25. Santa Fe Lake
  - 26. Scott's Reservoir
  - 27. Sierra Blanca Lake
  - 28. Soldier Lake (in Coconino County)
  - 29. Stehr Lake
  - 30. Stoneman Lake
  - 31. Tunnel Reservoir
  - 32. Whitehorse Lake
  - 33. Willow Valley Lake
  - 34. Woodland Reservoir
  - 35. Woods Canyon Lake
- B. A person operating a motorized watercraft on the following waters shall use only a single electric motor or a single gasoline engine not exceeding 10 manufacturer-rated horsepower:
  - 1. Arivaca Lake
  - 2. Ashurst Lake
  - 3. Becker Lake
  - 4. Big Lake
  - 5. Black Canyon Lake
  - 6. Blue Ridge Reservoir
  - 7. Cataract Lake
  - 8. Chevelon Canyon Lake
  - 9. Cholla Lake Hot Pond
  - 10. Concho Lake
  - 11. Crescent Lake
  - 12. Fool Hollow Lake
  - 13. Kaibab Lake
  - 14. Kinnikinick Lake
  - 15. Little Mormon Lake
  - 16. Lower Lake Mary



17. Luna Lake
  18. Lynx Lake
  19. Marshall Lake
  20. Mexican Hay Lake
  21. Nelson Reservoir
  22. Parker Canyon Lake
  23. Peña Blanca Lake
  24. Rainbow Lake
  25. River Reservoir
  26. Show Low Lake
  27. Whipple Lake
  28. White Mountain Lake (in Apache County)
  29. Willow Springs Lake
- C. A person shall not operate a watercraft on Frye Mesa Reservoir, Rose Canyon Lake, or Snow Flat Lake, except as authorized under subsection (D).
- D. A person who possesses a valid use permit issued by the U.S. Forest Service may operate a non-motorized watercraft only on Rose Canyon Lake on any Tuesday, Wednesday, or Thursday during June and July from 9:30 a.m. to 4:30 p.m. Mountain Time Zone. This subsection does not exempt the person from complying with all applicable requirements imposed by federal or state laws, rules, regulations, or orders.
- E. This Section does not apply to watercraft of governmental agencies or to Department-approved emergency standby watercraft operated by lake concessionaires if operating to address public safety or public welfare.

#### **R12-4-520. Arizona Uniform State Waterway Marking Aids to Navigation System**

- A.** The Arizona ~~uniform state waterway marking aids to navigation~~ system is the same as that prescribed under 33 ~~CFR~~ C.F.R. 62, revised July 1, ~~2004~~ 2014, which is incorporated by reference in this Section. The incorporated material is available at any Department office, online at [www.gpoaccess.gov](http://www.gpoaccess.gov), or ~~it~~ may be ordered from the U.S. Government Printing Office, ~~Stop: IDCC, Washington, D.C. 20401~~ Superintendent of Documents, P.O. Box 979050, St. Louis, MO 63197-9000. This Section does not include any later amendments or editions of the incorporated material.
- B.** A person shall not mark the waterways or their shorelines in this state with mooring buoys, regulatory markers, aids to navigation, lights, or other types of permitted waterway marking devices, without authorization from the governmental agency or the private interest having jurisdiction on such waters.
- C.** A person shall not moor or fasten a watercraft to any marker not intended for mooring, or willfully damage, tamper with, remove, obstruct, or interfere with any aid to navigation, regulatory marker or other type of permitted waterway marking devices, except in the performance of authorized maintenance responsibilities or as authorized under R12-4-518, or this Section.
- D.** If a governmental agency or private interest has not exercised its authority to control watercraft within its jurisdiction under A.R.S. § 5-361, or if waters are directly under the jurisdiction of the Commission, the Department has the authority to control watercraft within that jurisdiction in accordance with the following guidelines:
1. The Department may place controlled-use markers only where controlled operation of watercraft is necessary to protect life, property, or habitat, and shall move or remove the markers only if the need for the protection changes.
  2. The restrictions imposed are clearly communicated to the public by wording on the markers, such as those defined under R12-4-501.
- E.** A governmental agency, excluding federal agencies with jurisdiction over federal navigable waterways, has the authority to control watercraft within that jurisdiction in accordance with the following guidelines:
1. A governmental agency may place controlled-use markers only where controlled operation of watercraft is necessary to protect life, property, or habitat, and shall move or remove the markers only if the need for the protection changes.
  2. The restrictions imposed are clearly communicated to the public by wording on the markers, such as those defined under R12-4-501.
- F.** Any person may request establishment, change, or removal of controlled-use markers on waters under the jurisdiction of the Commission or on waters not under the jurisdiction of another government agency by submitting a written request providing the reasons for the request to the Arizona Game and Fish Department, 5000 W. Carefree Hwy, Phoenix, AZ 85086.
1. The Department shall either approve or deny the request within 60 days of receipt.
  2. A person may appeal the Department's denial of a request to the Commission as an appealable agency action under A.R.S. Title 41, Chapter 6, Article 10.

#### **R12-4-521. ~~Placing or Tampering with Regulatory Markers or Aids to Navigation~~ Repeal**

- A.** ~~A person shall not mark the waterways or their shorelines in this state with mooring buoys, regulatory markers, aids to navigation, or other types of permitted waterway marking devices as established under R12-4-520, without authorization from the governmental agency or the private interest having jurisdiction on such waters.~~
- B.** ~~A person shall not moor or fasten a watercraft to any marker not intended for mooring, or willfully damage, tamper with, remove, obstruct, or interfere with any aid to navigation, regulatory marker or other type of permitted waterway marking devices as established under R12-4-520, except in the performance of authorized maintenance responsibilities or as authorized under R12-4-518 or R12-4-522.~~

#### **R12-4-522. ~~Establishment of Controlled Use Markers~~ Repeal**

- A.** ~~If a lawful jurisdiction governmental agency or private interest has not exercised its authority to control watercraft under A.R.S. § 5-361, or if waters are directly under the jurisdiction of the Commission, the Department has the authority to control watercraft within that jurisdiction in accordance with the following requirements:~~



- 1. The Department shall place controlled use markers only where controlled operation of watercraft is necessary to protect life, property, or habitat, and shall move or remove the markers only if the need for the protection changes.
- 2. The Department shall ensure restrictions imposed are clearly communicated to the public as prescribed by rule or by wording on the markers.
- B.** A governmental agency, excluding federal agencies with jurisdiction over federal navigable waterways, shall report to the Department when controlled use markers have been placed or removed, unless the establishment or removal of markers is for a period of less than 30 days. The report shall be made within 30 days of establishment or removal of any controlled use markers and shall include the:
  - 1. Report type;
  - 2. Purpose of markers;
  - 3. Placement of markers; and
  - 4. Whether the markers are expected to be permanent or temporary.
- C.** Any person or government agency may request establishment, change, or removal of controlled use markers on waters under the jurisdiction of the Commission or on waters not under the jurisdiction of another agency by submitting a written request providing the reasons for the request to the Arizona Game and Fish Department, 5000 W. Carefree Hwy, Phoenix, AZ 85086. The Department shall either approve or deny the request within 60 days of receipt.
- D.** A person may appeal the Department's denial of a request to the Commission as an appealable agency action under A.R.S. Title 41, Chapter 6, Article 10.

**R12-4-524. Water Skiing Towed Water Sports**

- A.** An operator of a watercraft shall ensure that the an observer is on duty at all times when a person is being towed behind the watercraft or is surfing a wake created by the watercraft. The observer of a water skier is physically shall be:
  - 1. Twelve years of age or older;
  - 2. Physically capable and mentally competent to act as an observer and at least 12; and
  - 3. Continually observe the person or persons being towed behind the watercraft or surfing a wake created by the watercraft.
- B.** The operator of a watercraft shall ensure a person being towed behind the watercraft or riding a wake created by the watercraft is wearing a wearable personal flotation device approved by the U.S. Coast Guard whenever the watercraft is underway. This subsection applies to any contrivance designed for or used to tow a person behind a watercraft or ride the wake created by a watercraft regardless of whether or not the contrivance is attached to the watercraft. This includes, but is not limited to, boards, discs, hydrofoils, kites, inflatables, and water skis.
- C.** A person shall not operate a watercraft while a person is holding onto or is physically attached to any transom structure of the watercraft, including but not limited to a swim platform, swim deck, swim step, and swim ladder. This subsection does not apply to a person who is:
  - 1. Assisting with docking or departure activities.
  - 2. Exiting or entering the watercraft, or
  - 3. Engaging in law enforcement or emergency rescue activity.

**R12-4-526. Unlawful Mooring**

- A.** A person, as defined under A.R.S. § 5-301, shall not moor, anchor, fasten to the shore, or otherwise secure a watercraft in any public body of water for more than 14 days within any period of 28 consecutive days unless:
  - 1. ~~The person moves the watercraft at least 25 nautical miles from its previous location;~~
  - 2.1. The waters are a special anchorage area as defined under A.R.S. § 5-301,
  - 3.2. Authorized for private dock or moorage, or
  - 4.3. Authorized by the government agency or private interest having jurisdiction over the waters.
- B.** The 14 day limit may be reached through either a number of separate moorings or 14 days of continuous overnight occupation during the 28 day period. A person shall remove an abandoned or submerged watercraft from public waters within 72 hours of notice by registered mail or personal service of notice to remove such watercraft.
- C.** The owner of any abandoned watercraft shall be responsible for all towing and storage fees resulting from the removal of the watercraft from public waters.

**R12-4-527. Transfer of Ownership of a Towed Watercraft**

- A.** For the purpose of this Section, "towed watercraft" means a watercraft that has been impounded by ~~and~~ or is in the possession of a towing company located in this state.
- B.** ~~At the time a towing company requests~~ Within 15 days of impounding a watercraft, a towing company shall submit a request to the Department for watercraft registration information as prescribed under A.R.S. § 5-324 for a towed watercraft, the and in compliance with A.R.S. § 5-399. The towing company shall present the towed watercraft to the closest Department office for identification if there is no discernible hull identification number or state-issued registration number.
- C.** Within 15 days of receiving the watercraft registration information from the Department, the towing company shall provide written notification by certified mail return receipt requested to the owner and lienholder, if known, of the watercraft's location.
- C-D.** ~~A towing company seeking to transfer the ownership of a towed watercraft~~ If a watercraft remains unclaimed 15 days after the date of mailing the written notification to the owner and lienholder as required under subsection (C) of this Section, the towing company shall submit all of the following to the Director of the Department:
  - 1. Evidence of compliance with notification requirements prescribed under A.R.S. § 5-399 and subsection (C);
  - 2. A report on a form furnished by the Department and available at any Department office. The form shall include all of the following information:
    - a. Name of towing company;
    - b. Towing company's business address;



- c. Towing company's business telephone number;
  - d. Towing company's Arizona Department of Public Safety tow truck permit number;
  - e. Towed watercraft's hull identification number, if known;
  - f. Towed watercraft's state-issued registration number, registration decal, and year of expiration, if known;
  - g. Towed watercraft's trailer license number, if available;
  - h. State and year of trailer registration, if available;
  - i. Towed watercraft's color and manufacturer, if known;
  - j. Towed watercraft's condition, whether intact, stripped, damaged, or burned, along with a description of any damage;
  - k. Date the watercraft was towed;
  - l. Location from which the towed watercraft was removed;
  - m. Entity that ordered the removal of the towed watercraft, and if a law enforcement agency, include officer badge number, jurisdiction, and copy of report or towing invoice;
  - n. Location where the towed watercraft is stored; ~~and~~
  - o. Name and signature of towing company's authorized representative; and
3. Twenty-five dollar application fee authorized under A.R.S. § 5-399.03(2) ~~and established under R12-4-504.~~
- E.** The towing company shall notify the Department within 24 hours if the watercraft is released, returned to, redeemed, or repossessed by the owner, lienholder, or by a person identified in the Department's record as having an interest in the watercraft.
- ~~**D-E.** If the Department is unsuccessful in its attempt to identify or contact the registered owner or lienholder of the towed watercraft and has determined the towed watercraft is not stolen, the towing company shall follow:~~
- 1. ~~Follow the application procedures established under A.R.S. § 5-399.02(B), and~~
  - 2. ~~Apply for watercraft registration as established under R12-4-502 to register the towed watercraft.~~
- G.** A towing company that obtains ownership of a watercraft pursuant to A.R.S. § 5-399.02 and this Section shall maintain the following records for a period of three years from the date the Department transferred ownership of the towed watercraft:
- 1. The request made pursuant to A.R.S. § 5-324.
  - 2. The notification provided pursuant to A.R.S. § 5-399.
  - 3. The application for transfer of ownership pursuant to A.R.S. § 5-399.02.
  - 4. Any other documents required by the Department.

**R12-4-529. Nonresident Boating Safety Infrastructure Fees; Proof of Payment; ~~Decal~~**

- A.** Before placing that watercraft on the waterways of this State, a nonresident owner of a recreational watercraft who establishes this State as the state of principal operation shall pay the applicable Nonresident Boating Safety Infrastructure Fee (NBSIF) as authorized under A.R.S. §§ 5-326 and 5-327:
- 1. Twelve feet and less: \$80
  - 2. Twelve feet one inch through sixteen feet: \$88
  - 3. Sixteen feet one inch through twenty feet: \$192
  - 4. Twenty feet one inch through twenty-six feet: \$224
  - 5. Twenty-six feet one inch through thirty-nine feet: \$253
  - 6. Thirty-nine feet one inch through sixty-four feet: \$286
  - 7. Sixty-four feet one inch and over: \$429
  - 8. For the purposes of this subsection, the length of the motorized watercraft shall be measured in the same manner prescribed under A.R.S. § 5-321(C).
- B.** The nonresident recreational watercraft owner shall carry and display proof of payment of the fee while the watercraft is underway, moored, or anchored on the waterways of this State. Acceptable proof of payment includes any one of the following:
- 1. A current Arizona Watercraft Certificate of Number indicating the NBSIF was paid,
  - 2. A current Arizona Watercraft Temporary Certificate of Number indicating the NBSIF was paid, or
  - 3. A current Arizona Watercraft Registration Decal indicating the NBSIF was paid, ~~or~~
  - 4. ~~A current Arizona Nonresident Boating Safety Infrastructure Decal.~~
- ~~**C.** The Nonresident Boating Safety Infrastructure Decal shall be affixed in front of the Arizona Watercraft Registration Decal on both sides of the forward half of the watercraft.~~

**R12-4-530. Authorized Third-party Providers; Agents**

- A.** The Department may enter into a contract with a private entity to perform limited or specific services on behalf of the Department in accordance with State procurement laws and rules.
- 1. The Department may authorize a person to be a third-party provider. An authorized third-party provider shall meet the requirements established by the Department and shall be selected through a competitive bid process.
  - 2. The Department may authorize a third-party provider to perform any one or more of the following services:
    - a. Watercraft transfer.
    - b. Watercraft registration renewal.
    - c. Duplicate watercraft registration and decal.
    - d. New watercraft registration.
- B.** A person shall not engage in any business pursuant to this Section unless the Department authorizes the person to engage in the business.
- C.** The Department shall establish minimum quality standards of service and a quality assurance program for authorized third-party providers to ensure that an authorized third-party provider is complying with the minimum standards.
- D.** The Department may:
- 1. Conduct investigations.
  - 2. Conduct audits.



- 3. Make on-site inspections in compliance with A.R.S. § 41-1009.
- 4. Require that an authorized third-party or employees or agents of an authorized third-party be certified to perform the services prescribed in this Article.
- E.** An authorized third-party provider shall remit to the Department all fees established under R12-4-504 and R12-4-529 it collects.
  - 1. An authorized third-party provider may collect and retain a reasonable and commensurate fee for its services.
  - 2. Each authorized third-party provider that holds itself out as providing services to the public shall identify to the applicant the Department's registration fee and the nonresident boating safety infrastructure fee, when applicable, separately from any other costs.
- F.** A third-party who is authorized pursuant to this Section shall:
  - 1. Maintain records in a form and manner prescribed by the Department.
  - 2. Allow access to the records during regular business hours to authorized representatives of the Department or any law enforcement agency to ensure compliance with all applicable statutes and rules.
- G.** The Department may suspend or cancel an authorization or certification, or both, granted pursuant to this Section if the Department determines that the third-party provider or certificate holder has done any of the following:
  - 1. Made a material misrepresentation or misstatement in the application for authorization or certification.
  - 2. Has been convicted of fraud or a watercraft related felony in any state or jurisdiction of the U.S. within the ten years immediately preceding the date a criminal records check is complete.
  - 3. Has been convicted of a felony, other than a felony described in subsection (2), in any state or jurisdiction of the U.S. within the five years immediately preceding the date a criminal records check is complete.
  - 4. Violated a rule or policy adopted by the Department.
  - 5. Failed to keep and maintain records required by this Section.
  - 6. Failed to remit to the Department all fees established under R12-4-504 and R12-4-529 it collects.
  - 7. Allowed an unauthorized person to engage in any business pursuant to this Section.
- K.** If the Department has reasonable grounds to believe that a certificate holder or other person employed by an authorized third-party provider has committed a serious violation, the Department may order a summary suspension of the third provider's authorization granted pursuant to this Section pending formal suspension or cancellation proceedings. For the purposes of this subsection, "serious violation" means:
  - 1. Watercraft registration fraud.
  - 2. Improper disclosure of personal information.
  - 3. Bribery.
  - 4. Theft.
- L.** On determining that grounds for suspension or cancellation of an authorization or certification, or both, exist, the Department shall give written notice to the third-party provider or certificate holder to appear at a hearing before the Department to show cause why the authorization or certification should not be suspended or canceled.
  - 1. After consideration of the evidence presented at the hearing, the Department shall serve notice of the finding and order to the third-party or certificate holder.
  - 2. If a third-party authorization or a certification is suspended or canceled, the third-party or certificate holder may appeal the decision pursuant to A.R.S. Title 41, Chapter 6, Article 10.