

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF FINAL EXEMPT RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 7. DEPARTMENT OF TRANSPORTATION THIRD-PARTY PROGRAMS

Editor's Note: The following notice of Final Exempt Rulemaking was reviewed per Executive Order 2012-03 as issued by Governor Brewer. (See the text of the executive order on page 1164.) The Governor's Office authorized the notice to proceed through the rulemaking process on April 29, 2014.

[R14-65]

PREAMBLE

| <u>1. Article, Part, or Section Affected (as applicable)</u> | <u>Rulemaking Action</u> |
|--|--------------------------|
| R17-7-101 | Amend |
| R17-7-201 | Amend |
| R17-7-202 | Amend |
| R17-7-203 | Amend |
| R17-7-204 | Amend |
| R17-7-205 | Renumber |
| R17-7-205 | Amend |
| R17-7-206 | Renumber |
| R17-7-206 | Amend |
| R17-7-207 | Renumber |
| R17-7-207 | Amend |
| R17-7-301 | Amend |
| R17-7-302 | Amend |
| R17-7-303 | Renumber |
| R17-7-303 | Amend |
| R17-7-304 | New Section |
| R17-7-305 | New Section |
| R17-7-401 | Amend |
| Article 5 | Amend |
| R17-7-501 | Amend |
| R17-7-502 | Amend |
| Article 6 | Amend |
| R17-7-601 | Amend |
| R17-7-602 | Amend |
| R17-7-603 | Amend |
| R17-7-604 | Amend |
| R17-7-605 | Amend |
| R17-7-606 | Amend |
| R17-7-607 | Repeal |
| R17-7-608 | Repeal |
| R17-7-609 | Renumber |
| Article 7 | Repeal |
| Article 7 | New Article |
| R17-7-701 | Amend |
| R17-7-702 | Repeal |
| R17-7-702 | New Section |
| R17-7-703 | Repeal |
| R17-7-703 | New Section |
| R17-7-704 | Renumber |

Notices of Exempt Rulemaking

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|-----------|-------------|
| R17-7-704 | New Section |
| R17-7-705 | Renumber |
| R17-7-705 | New Section |
| R17-7-706 | Renumber |
| R17-7-707 | Repeal |
| Article 8 | Repeal |
| R17-7-801 | Repeal |
| R17-7-802 | Repeal |

2. Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific), and the statute or session law authorizing the exemption:

Authorizing statute: A.R.S. § 28-366

Implementing statutes: A.R.S. §§ 28-5101, 28-5101.01, 28-5101.02, 28-5101.03, 28-5102, 28-5103, 28-5105, 28-5106, and 41-1009

Statute or session law authorizing the exemption: Laws 2013, Ch. 129, § 27

3. The effective date of the rule and the agency’s reason it selected the effective date:

May 1, 2014

The rules will be effective on the date the Notice of Exempt Rulemaking is filed with the Office of the Secretary of State.) The Department believes that an immediate effective date provides the necessary time for companies to apply and be able to be operational by the effective dates pursuant to Laws 2013, Ch. 129, § 16.

4. A list of all notices published in the Register as specified in R1-1-409(A) that pertain to the record of the exempt rulemaking:

None

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

Name: Candace Olson, Rules Analyst
Address: Government Relations and Policy Development Office
Department of Transportation
206 S. 17th Ave., Mail Drop 140A
Phoenix, AZ 85007
Telephone: (602) 712-4534
Fax: (602) 712-3232
E-mail: COlson2@azdot.gov
Web site: <http://www.azdot.gov/about/GovernmentRelations>

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

The Department is consolidating, amending, and creating new rules for the Department’s Third-Party Programs. Laws 2013, Ch. 129 expanded the activities an Authorized Third Party provider is allowed to perform, including, performing written and road tests, issuing driver licenses, and providing professional driver license training (which was previously a licensed activity). Pursuant to Laws 2013, Ch. 129, § 27, the Department engages in this exempt rulemaking to incorporate new and applicable legislation, including consolidating all rules of general applicability for authorization, and ensure conformity with the Arizona Administrative Procedure Act and Secretary of State rulemaking format and style requirements. In addition, changes are needed to clarify the verbiage regarding the term “Division,” delete unused definitions, consolidate definitions, and update some business processes. The rules have been amended to improve clarity, conciseness, and understandability. These rules provide the requirements necessary for the business community and the public to successfully participate in the Third-Party Programs.

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

The Department did not review or rely on any study relevant to the rules.

8. 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

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

Not applicable

10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and the final rulemaking package (if applicable):

Notices of Exempt Rulemaking

In R17-7-101, revised the definition of “application date” to clarify that the date is the date the application is received by Department.

In R17-7-101, added the term “office personnel member” and revised the definition of “certified individual” to incorporate the term “office personnel member.” This was done to clarify the current practice of requiring a fingerprint and criminal records check of employees who are exposed to highly sensitive personal information and who may not fall under one of the other types of certified individuals.

In R17-7-101, in the definition of “good standing,” added “substantiated” before “derogatory” to clarify and distinguish that not all derogatory information will be held against the applicants and re-incorporated consumer protection agencies.

In R17-7-201(B)(3), added “similar” before “business license” in order to clarify that the Department is not looking for all types of business licenses issued by the Department.

In R17-7-204(P)(4) and R17-7-303(A)(4), clarified and expanded that the certified individual needs to report the following actions taken by the Department against the individual:

- Suspension, revocation, cancellation, and disqualification of the individual’s driver license;
- Cancellation of the individual’s vehicle certificate of title; and
- Suspension or cancellation of the individual’s vehicle registration.

In R17-7-301(A)(12), added the requirement that the certified individual provide the official name of the authorized third party at which the applicant will be employed.

In R17-7-604(A) and R17-7-703, removed the requirement that the certified applicants be 21 years of age and relocated it to R17-7-301(D) in an effort to clarify that this requirement also includes applicants for certification as a driver license processor who will be performing driver license skills tests.

In R17-7-605 and R17-7-606, removed the subsections that matched wording from federal regulations and replaced with the statement that the authorized third party shall maintain compliance with applicable federal rules and the federal rules as adopted by the Department in 17 A.A.C. Chapter 5, Article 2. The subsections removed detailed that the authorized third party submit a schedule of skills test appointments to the Department no later than two business days before each test; notify the Department through secure electronic means when an applicant is tested by the authorized third party; administer at least 10 skills tests each calendar year or require that each commercial driver license examiner take the commercial driver license refresher training course; and that a commercial driver license examiner who is also a skills instructor as part of a school, training program, or otherwise shall not administer a skills test to an applicant who received skills training from that commercial driver license examiner.

In R17-7-606(A), removed the requirement that the examiner attend ongoing Department-approved training, including if applicable, a commercial driver license refresher training course before each renewal of the authorization agreement and relocated it to R17-7-303(A) in an effort to clarify that the requirement is for all certified individuals and not strictly for commercial driver license examiners.

In R17-7-606(D), removed “an authorized third party” from the end of the sentence to clarify that the restriction is to Department property.

In addition, grammatical and technical changes were made.

11. An agency’s summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments, if applicable:

| Company/Individual | Comment | Department’s Response |
|---------------------------|---|--|
| Driving Arizona/Dave Paul | R17-7-101, “Good Standing” On page nine, must not have any derogatory information reported to the Department about an application from any other state agency. There’s no due process in that statement. Someone sends an e-mail that I am a bad driving instructor and that is enough to block an application. I would think that we need more definitive language. Okay, if they were found to be responsible, if they were found to be guilty; it’s one thing then I can see that, but this derogatory information, can’t go with that one. | The Department has modified R17-7-101 by inserting the word “substantiated” before “derogatory.” |

Notices of Exempt Rulemaking

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| <p>Driving Arizona/Dave Paul</p> | <p>R17-7-101, “Good Standing” Where it says the applicant is a former Department employee, former authorized third party, or a former employee of an authorized third party that has not been dismissed or resigned from a position for cause, there’s no time limit on that determination. Comparing this to R17-7-301(B)(3), any business suspension, cancellation, revocation, or denial by the Department within the past five years. So, in my interpretation, is it forever or is it five years?</p> | <p>The removal of the three-year time-frame from the definition of “good standing” and the change to the five-year time-frame for corrective actions against any business license issued by the Department in R17-7-201(B)(3) are separate elements. The Department has modified R17-7-201(B)(3) by inserting the word “similar” in front of “business license.”</p> |
| <p>American Institute of Trucking, Inc/Kirk Lehnus</p> | <p>R17-7-604(A)(2) My concern with not letting someone become a third party examiner for a medical suspension for 39 months is what if the suspension was for just not getting it turn in on time. I think the medical suspension should be removed.</p> | <p>The submission of medical certification documentation is necessary in order to obtain a commercial driver license or commercial learner’s permit and to maintain a valid commercial driver license status under 49 CFR 383. The submission of valid medical documentation for a commercial driver license holder is no different than the responsibility of paying a fine for a traffic citation, and in Arizona, it has the same effect on the person’s license. This requirement ties in to the “good standing” requirement in which an applicant has not had a Department-issued license suspended, canceled, or revoked within a three-year period for applicants and while being an examiner. The responsibility of examining commercial driver license applicants requires a higher standard of responsibility than an average commercial driver license holder.</p> |
| <p>Cottonwood-Oak Creek School District/Debbie Wheaton</p> | <p>R17-7-605 I disagree with subsections (b) and (c) of these scenarios for auditing third party testers. I feel it will be additional stress for the people testing and for the third party tester. Testing is already a nervous situation for most applicants and I feel an additional “observer” would create even more uneasiness for them.</p> | <p>This matches the federal requirement under 49 CFR 383.75, which the Department is adopting under another upcoming separate rulemaking package to update 17 A.A.C. Chapter 5, Article 2.</p> |

Notices of Exempt Rulemaking

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| <p>American Institute of Trucking, Inc/Chuck Wirth and Kirk Lehnus</p> | <p>R17-7-605 CW: Requires us to submit a schedule of skills test appointments no later than two business days before each test; I assume that includes individuals we are testing that were trained by us and any individual we may test coming to us from the outside. Please confirm this is true. I am also interested to know why the Department is requiring this and what will be done with this information. KL: Who would we submit scheduled skills tests to and why is this a requirement?</p> | <p>This matches the federal requirement under 49 CFR 383.75. It would be all testing appointments regardless if the tester was trained by that company. The information will be submitted to the Department through a Department-approved secure electronic means. The information will be stored in order to compare absence rates, pass fail rates, and identification of possible fraudulent activities. The Department has modified R17-7-605 by replacing that statement with the requirement that the authorized third party shall maintain compliance with applicable federal rules and the federal rules as adopted by the Department in 17 A.A.C. Chapter 5, Article 2.</p> |
| <p>Cottonwood-Oak Creek School District/Debbie Wheaton And American Institute of Trucking, Inc/Kirk Lehnus</p> | <p>R17-7-605 DW: What constitutes a “secure electronic means”? KL: To whom and how will we notify the Department of who tested? Will we get the handheld devices the state uses?</p> | <p>Encrypted e-mail or a secure computer program will be considered as “secure electronic means.” The test results will be submitted to the Department through the Department-approved secure electronic means. Due to budgetary constraints, expanding the privilege of submitting the commercial driver license test scores through a handheld device is no longer feasible. The Department has modified R17-7-605 by replacing that statement with the requirement that the authorized third party shall maintain compliance with applicable federal rules and the federal rules as adopted by the Department in 17 A.A.C. Chapter 5, Article 2.</p> |

Notices of Exempt Rulemaking

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| <p>American Institute of Trucking, Inc/Kirk Lehnus</p> | <p>R17-7-605 Administering 10 tests a year. Are these full test pre-trip inspection, basic control skills, and road test? And if 10 tests are not completed, how is refresher training completed?</p> | <p>This comes from the federal requirement under 49 CFR 383.75, which requires the revocation of the skills testing certification of any examiner who does not conduct skills test examinations of at least 10 different applicants per calendar year. Completion of a refresher training course is acceptable in lieu of revocation of the certification. The Department offers an online refresher training for commercial driver license examiners. It would require all three tests as one full set that makes up the skills test. The Department has modified R17-7-605 by replacing that statement with the requirement that the authorized third party shall maintain compliance with applicable federal rules and the federal rules as adopted by the Department in 17 A.A.C. Chapter 5, Article 2.</p> |
| <p>Cottonwood-Oak Creek School District/Debbie Wheaton</p> | <p>R17-7-606(A)(8) This item has been struck. Will third party testers no longer be required to ensure the applicant possesses these items?</p> | <p>This subsection had been simplified and renumbered as R17-7-605(6).</p> |
| <p>American Institute of Trucking, Inc/Chuck Wirth And City of Sierra Vista Public works/Robert Butterworth</p> | <p>R17-7-606(C) CW: Restricts a third party examiner from administering the skills tests to any trainee that examiner may have instructed. I commend the Department for including this restriction in the rule. I also would like clarification that this restriction would not extend to an examiner that instructs the classroom portion of the program only and administers the skill test. RB: It states basically that I cannot train and test an individual. Can another employee of our organization train and I test?</p> | <p>This matches the federal requirement under 49 CFR 383.75. One employee may train the applicant and another employee must then do the testing. The Department has modified R17-7-606 by removing this statement and replacing with a requirement that the authorized third party shall maintain compliance with applicable federal rules and the federal rules as adopted by the Department in 17 A.A.C. Chapter 5, Article 2 has been added to R17-7-605.</p> |
| <p>City of Sierra Vista Public works/Robert Butterworth</p> | <p>R17-7-606(D) It states that I cannot accompany an applicant to any office owned by the third party organization. The people I presently test all work for the City of Sierra Vista Public Works. Will this prevent me from testing them?</p> | <p>The Department has modified R17-7-606(C) by removing “an authorized third party,” so that they are restricted from accompanying an applicant into any office or testing location rented, leased, or owned by the Department.</p> |
| <p>American Institute of Trucking, Inc/Chuck Wirth</p> | <p>Does R17-7-704 only pertain to noncommercial authorized driver license training providers? If it does pertain to commercial driver license training, I have a few items I would like clarification regarding.</p> | <p>This section pertains only to the non-commercial driver license training providers. The commercial driver license training providers are still licensed professional driver training schools under A.R.S. Title 32, Chapter 23 and 17 A.A.C. Chapter 5, Article 3.</p> |

Notices of Exempt Rulemaking

The Department also received six comments regarding a proposed Driver License Training Provider requirement of at least 30 hours of classroom instruction with 10 hours of behind-the-wheel instruction for anyone taking driver license training. Three of the commenters expressed concern over this requirement, relaying that the requirement would result in an economic impact due to increased costs which could result in decreased business, studies indicate that driver education does not increase safety and does not show a decrease in the teen crash rates, and that there is no benefit to the student to have the increased hours of instruction (e.g. a permit). Two of the commenters expressed support of the hours of instruction requirement and stated that this was an opportunity for change and to be leaders of an in-depth driver education curriculum and that the issue is bigger than the number of hours, but more about the quality of instruction and instructors. The other comment was a clarification of whether the 30 and 10 hours impacted the hours required for commercial driver license training. There was an additional comment regarding the lack of providing a permit from the training that would cause a decrease in business. While the hours of instruction and issuance of a permit are not contained in the rules, the Department has recorded the comments. The Department is evaluating the possibility of allowing the providers to offer alternative levels of training and the hours of instruction as suited to cover all of the required minimum professional training standards and has removed the 30 and 10 hours requirement at this time. The requirement of a set amount of hours of instruction stems from the Department's need to establish a foundation and a higher level of standards for driver license training. As for the costs, the Department does not set the required fees for the training, but has taken note of this concern. In regard to the permit issuance, the schools did not previously have the ability to test and issue a permit; they were previously allowed to issue certificates of completion which waived the students from taking the tests when applying for a license. The 30 and 10 hours of instruction is not a requirement for the commercial driver license training.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:

There are no other matters prescribed by statute applicable to the Department or to any specific rule or class of rules.

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

Pursuant to A.R.S. § 28-5101, the Department is authorizing third parties to perform specified functions. These authorizations do fall under the definition of general permits since the activities and practices authorized are substantially similar in nature for all third parties authorized to perform that specified activity or function.

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

The rule is not more stringent than any applicable federal law because federal law is not applicable to this rule.

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:

No analysis was submitted to the Department.

13. A list of any incorporated by reference material and its location in the rule:

This rulemaking incorporates no materials by reference.

14. Whether the rule was previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:

Not applicable

15. The full text of the rules follows:

TITLE 17. TRANSPORTATION

**CHAPTER 7. DEPARTMENT OF TRANSPORTATION
THIRD-PARTY PROGRAMS**

ARTICLE 1. DEFINITIONS

Section

R17-7-101. Definitions

ARTICLE 2. AUTHORIZATION

Section

R17-7-201. Authorization Application Requirements

R17-7-202. Notification of Authorization Approval or Denial and Hearing

R17-7-203. Authorization Agreement

R17-7-204. Authorized Third-party Requirements

~~R17-7-205~~-R17-7-205. Financial Requirements

Notices of Exempt Rulemaking

~~R17-7-706-R17-7-206~~. Corrective Action
~~R17-7-609-R17-7-207~~. Denial, Cancellation, and Suspension

ARTICLE 3. CERTIFICATION

Section

R17-7-301. Certification Application Requirements
R17-7-302. Notification of Certification Approval or Denial and Hearing
~~R17-7-704-R17-7-303~~. General Requirements of an Authorized Third Party or a Certified Individual
R17-7-304. Corrective Action
R17-7-305. Cancellation and Suspension

ARTICLE 4. AUDITS AND INSPECTION

Section

R17-7-401. Audits and Inspection

ARTICLE 5. ~~PRE-APPLICATION AND SELECTION PANEL~~

Section

R17-7-501. Definitions
R17-7-502. ~~Pre-application and Selection Panel~~

ARTICLE 6. COMMERCIAL DRIVER LICENSE EXAMINATION PROGRAM

Section

R17-7-601. Definitions
R17-7-602. Activities
R17-7-603. Additional Authorization Application Requirements for ~~Driver License Examination~~ CDLE Program
R17-7-604. Additional Certification Application Requirements for Commercial Driver License Examination Program
Examiners
R17-7-605. Additional Authorized Driver License Examination CDLE Program Requirements
R17-7-606. Certified Commercial Driver License Examiner Requirements
R17-7-607. ~~Professional Conduct~~ Repealed
R17-7-608. ~~Enforcement~~ Repealed
R17-7-609. ~~Denial, Cancellation, and Suspension~~ Renumbered

ARTICLE 7. ~~TITLE AND REGISTRATION PROGRAM~~ DRIVER LICENSE TRAINING PROVIDER PROGRAM

Section

R17-7-701. Definitions
R17-7-702. ~~Authorization Application~~ Additional Authorization Application Requirements for Driver License Training Providers
R17-7-703. ~~General Authorization Requirements for the Title and Registration Program~~ Additional Certification Application Requirements for Driver License Trainers
R17-7-704. Additional Authorized Driver License Training Provider Program Requirements
R17-7-705. Certified Driver License Trainer Requirements
R17-7-706. ~~Corrective Action~~ Renumbered
R17-7-707. ~~General Application Requirements for Certification of an Individual~~ Repealed

ARTICLE 8. ~~THIRD-PARTY INSPECTION PROGRAM~~ REPEALED

Section

R17-7-801. ~~Definitions~~ Repealed
R17-7-802. ~~General Provisions; Additional Duties; Reporting Requirements for Inspection Program~~ Repealed

ARTICLE 1. DEFINITIONS

R17-7-101. Definitions

The following definitions apply to this Chapter unless otherwise specified:

1. "Accountable inventory" means an item that is reproduced by the ~~Division~~ Department in a consecutively numbered series for:
 - a. Recording the number of a completed, issued, or voided item in a log; and
 - b. Reporting the number of a completed, issued, or voided item to the ~~Division~~ Department.
2. "Activity" means a function or service that is provided by an authorized third party pursuant to A.R.S. Title 28, Chapter 13 and that is performed by a certified individual as defined in this Article.

Notices of Exempt Rulemaking

3. "Agency head" or "political subdivision head" means the chief officer of an agency or political subdivision or another individual with authority to act for the agency head or political subdivision head.
4. "Application Date" means the date an application is signed by the applicant received by the Department.
5. "Application Received Date" means the date a completed application is received by the Division.
6. "Audit" means performing an inspection or attestation engagement of the operations of an authorized third party to determine compliance with applicable statutes, rules, and contract terms.
7. "Attestation engagement" means the Arizona Department of Transportation Office of Audit & Analysis examines, reviews, or completes specific testing procedures that are agreed upon with the Division; the result of which is a report issued to the Division by the Arizona Department of Transportation Office of Audit & Analysis.
8. "Authorized third party" means an entity that:
 - a. Has written permission from the ~~Division~~ Department to operate a business under A.R.S. Title 28, Chapter 13; and
 - b. Employs or contracts with at least one certified individual to provide a third-party services activity.
9. "Branch" means an authorized third party's business location that is:
 - a. ~~An~~ an additional established place of business;
 - b. ~~Division approved;~~
 - e. ~~Not used as a residence;~~
 - d. ~~Authorized to perform contracted activities; and~~
 - e. ~~Located within the same county as the established place of business.~~
10. "Cancellation" means a ~~Division~~ action that ~~withdraws an authorization or certification issued under A.R.S. Title 28, Chapter 13.~~
11. "Certified individual" means an individual who ~~the Division certifies~~ is certified by the Department under A.R.S. Title 28, Chapter 13 to perform specified activities for an authorized third party as an employee or contractor. The ~~Division~~ Department may certify an individual as a:
 - a. ~~Commercial~~ A commercial driver license examiner,
 - b. ~~Dealer~~ A dealer license processor,
 - e. ~~Driver~~ A driver license processor,
 - d. ~~Noncommercial driver license examiner;~~
A driver license trainer,
An office personnel member,
 - e. ~~Tax~~ A tax report processor,
 - f. ~~Title~~ A title and registration processor,
 - g. ~~Vehicle~~ A vehicle inspector, or
 - h. ~~Vehicle~~ A vehicle permit processor.
12. "Classes of driver licenses" has the meaning prescribed in A.R.S. § 28-3101.
13. "Commercial driver license examiner" means an individual certified by the ~~Division~~ Department to administer class A, B, or C driver license skills tests.
"Concentration Banking System" means a type of state bank account, established by the Arizona State Treasurer's office, for deposit of monies collected by an authorized third party.
14. "Contact individual" means a principal or designated individual of an authorized third party who communicates with the ~~Division~~ Department on behalf of the authorized third party.
15. "Convenience fee" means the amount exceeding the statutorily prescribed fees and taxes that an authorized third party collects and retains for its services.
16. "Department" means the Arizona Department of Transportation.
17. "Director" means the ~~Division~~ Director, Motor Vehicle Division, Arizona Department of Transportation or the Director's designee.
18. "Division" means the ~~Arizona Department of Transportation, Motor Vehicle Division.~~
19. "Division-issued business license" means:
 - a. ~~An~~ an automotive recycler license,
 - b. ~~A~~ a broker license,
 - e. ~~A~~ a distributor license,
 - d. ~~A~~ a distributor branch license,
 - e. ~~A~~ a factory branch license,
 - f. ~~A~~ a manufacturer license,
 - g. ~~A~~ a new motor vehicle dealer license,
 - h. ~~A~~ a professional driver training school license,
 - i. ~~A~~ a third-party authorization,
 - j. ~~A~~ a title service company license,
 - k. ~~A~~ a used motor vehicle dealer license,

Notices of Exempt Rulemaking

- ~~l. A wholesale motor vehicle dealer license, or~~
- ~~m. A wholesale motor vehicle auction dealer license.~~
- “Dealer license processor” means an individual certified by the Department to:
 - Review applications for vehicle dealer licenses;
 - Enter information related to the applications in the Department’s database; and
 - Issue vehicle dealer licenses under A.R.S. Title 28, Chapter 10.
- 20. “Driver license processor” means an individual certified by the ~~Division~~ Department to: perform any one or a combination of driver license processing functions under A.R.S. Title 28 as specified in the authorization agreement between the Department and an authorized third party who has engaged the individual to perform those functions.
 - ~~a. Review applications for driver licenses, instruction permits, and identification licenses;~~
 - ~~b. Administer driver license tests;~~
 - ~~e. Enter information related to the applications in the Division’s database; and~~
 - ~~d. Issue or deny specified classes of driver licenses, instruction permits, and identification licenses.~~“Driver license trainer” means an individual certified by the Department to:
 - Educate and train persons, either practically or theoretically, or both, to operate or drive motor vehicles;
 - Prepare applicants for an examination given by the Department or an authorized third party driver license provider for a driver license or instruction permit; and
 - Charge a consideration or tuition for these services.
- 21. “Established place of business” means an authorized third party’s business location that is:
 - ~~a. Division-approved~~ Approved by the Department,
 - Located in Arizona.
 - ~~b. Not used as a residence, and~~
 - ~~e. Where the authorized third party third party performs authorized activities.~~“Floor plan” means a Department-approved diagram of a building’s interior, as seen from above, that shows the interior dimensions and the location of doors, windows, and equipment.
- 22. “Good standing” means an authorized ~~or certified third party third party applicant or an applicant has no seeking certification:~~
 - ~~a. Suspension, cancellation, revocation, or denial of a Division-issued~~ Has not had a similar business license or certification issued suspended, revoked, canceled, or denied within the previous three years of the application date;
 - ~~b. Delinquent~~ Does not owe delinquent fees, taxes, or unpaid balances owed to the ~~Division~~ Department;
 - ~~e. Derogatory~~ Has not had any substantiated derogatory information received relevant to the requested authorization or certification reported to the Department about the applicant from any state agency or from any consumer protection agency contacted by the ~~Division~~ Department; or
 - ~~d. Dismissal or resignation from position for cause, if~~ If the applicant is a former Department employee, ~~or a former authorized third party owner third party, or a former employee of an authorized third party, within three years before the application date, to include~~ has not been dismissed or resigned from a position for cause, including:
 - ~~i. Misconduct, or~~
 - ~~ii. Resignation from position:~~
 - ~~(1) In lieu of dismissal, or~~
 - ~~(2) By mutual agreement following allegations of misconduct, or.~~
 - ~~iii. Designation “not eligible for rehire.”~~
- 23. “Log” means a complete, chronological record of accountable inventories and activities performed and kept by the authorized third party as prescribed by the ~~Division~~ Department.
- 24. “Monthly reconciliation report” means an authorized third party’s report of accountable inventory use other than title and registration accountable inventory.
“Motor vehicle inspection” means vehicle verification as prescribed in A.R.S. § 28-2011.
- 25. “Noncommercial driver license examiner” means an individual certified by the ~~Division~~ to administer any class D, G, and M driver license tests, including vision, written, and skills tests.
“Office personnel member” means an individual who does not perform any other of the activities requiring certification under this Chapter and who is certified by the Department as an employee who performs functions that:
 - Have exposure to protected personal information, or
 - Has complete oversight and responsibility for all day-to-day operations necessary to ensure full compliance with all applicable program requirements.
- 26. “Principal” means any of the following:
 - ~~a. If a sole proprietorship, the sole proprietor;~~
 - ~~b. If a partnership, limited partnership, limited liability partnership, limited liability company, or corporation, the:~~
 - ~~i. Partner;~~
 - ~~ii. Manager;~~
 - ~~iii. Member;~~

Notices of Exempt Rulemaking

- ~~iv.~~ Officer;
 - ~~v.~~ Director;
 - ~~vi.~~ Agent; or
 - ~~vii.~~ If a limited liability company or corporation, each stockholder owning 20 percent or more of the limited liability company or corporation; or
 - e. If a political subdivision or government agency, the political subdivision or agency head.
 - 27. "Principal place of business" means an authorized third party's administrative headquarters, which shall not be used as a residence.
 - 28. "Skills test" means a set of tests, authorized and approved by the ~~Division~~ Department and administered by ~~a the Department or by an authorized third party~~ commercial or noncommercial driver license examiner or driver license processor to determine whether the applicant possesses the required skills for the type of license for which the applicant applies.
 - 29. "Skills test route" means a public road or highway driving course, identified by an authorized third party and approved by the ~~Division~~ Department, for administering skills tests to driver license applicants.
 - 30. "Suspension" means a ~~Division~~ action that, for a stated period, ~~prohibits:~~
 - a. ~~An authorized third party from:~~
 - ~~i. Providing at least one type of third-party activity, or~~
 - ~~ii. Operating as an authorized third party.~~
 - b. ~~A certified individual from:~~
 - ~~i. Performing at least one type of third-party activity, or~~
 - ~~ii. Working for an authorized third party.~~
 - 31. "Tax report processor" means an individual certified by the ~~Division~~ Department to:
 - a. Process fuel tax reports and interstate user fuel tax reports from fuel suppliers, fuel vendors, and motor carriers; and
 - b. File the reports with the Department.
 - 32. "Test site" means a location, identified by an authorized third party, for administering skills tests to driver license applicants that is:
 - a. ~~Division-approved~~ Approved by the Department,
 - b. Permanently marked, and
 - e. Off the public road or highway.
 - 33. "Title and registration processor" means an individual certified by the ~~Division~~ Department to:
 - a. Review applications for vehicle certificates of title or registrations under A.R.S. Title 28, Chapter 7;
 - b. Enter information related to applications for vehicle certificates of title or registrations ~~in~~ into the ~~Division's~~ Department's database; and
 - e. Issue or deny vehicle certificates of title or registrations.
 - 34. ~~"Vehicle dealer license processor" means an individual certified by the Division to:~~
 - a. ~~Review applications for vehicle dealer licenses under A.R.S. Title 28, Chapter 10;~~
 - b. ~~Enter information related to the applications in the Division's database; and~~
 - e. ~~Issue or deny vehicle dealer licenses.~~
 - 35. "Vehicle inspector" means an individual certified by the ~~Division~~ Department to perform motor vehicle inspections.
 - 36. "Vehicle permit processor" means an individual certified by the ~~Division~~ Department to:
 - a. Review applications for permits or registrations under A.R.S. Title 28, Chapter 3, Articles 18 and 19, and Chapter 7;
 - b. Enter information related to the applications in the ~~Division's~~ Department's database; and
 - e. Issue or deny permits or registrations.
- "Vicinity" means the area adjacent to, or in the immediate proximity of, any authorized third party's places of business.

ARTICLE 2. AUTHORIZATION

R17-7-201. Authorization Application Requirements

- A. An applicant for third-party authorization shall provide to the ~~Division~~ Department on request:
 - 1. The applicant's name, business name, and federal employer identification number;
 - 2. The applicant's bond status as exempt or nonexempt under A.R.S. ~~§§ 28-5104~~ Title 28, Chapter 13. If exempt, the ~~applicant's name under subsection (A)(1)~~ applicant must complete a bond exemption form. If nonexempt, the applicant must provide proof of a surety bond pursuant to A.R.S. Title 28, Chapter 13;
 - 3. The name of the person who is the applicant's principal;
 - 4. The name, title, e-mail address, and telephone number of the applicant's contact individual;
 - 5. The activities for which the applicant seeks third-party authorization;
 - 6. The address of the applicant's principal place of business and ~~the address of each branch~~ established place of busi-

Notices of Exempt Rulemaking

ness;

7. A statement that the applicant is in good standing ~~with the Division;~~
8. The signature of:
 - a. The sole proprietor,
 - b. All partners,
 - c. A corporate officer,
 - d. A limited liability company manager, or
 - e. The political subdivision head or agency head;
9. ~~Documents~~ The following documents relating to the applicant's business if the applicant is a:
 - a. Corporation:
 - i. A copy of the articles of incorporation, including any amendments filed with the Arizona Corporation Commission; and
 - ii. Any other official documents, including copies of board meeting minutes and annual reports, that reflect ~~changes~~ the most recent change to the corporate name, structure, or officers;
 - b. Limited liability company:
 - i. A copy of the articles of organization, including any amendments filed with the Arizona Corporation Commission; ~~or~~
 - ii. A copy of the application for registration as a foreign limited liability company filed with the Arizona Corporation Commission and a copy of the certificate of registration issued by the Arizona Corporation Commission to a foreign limited liability company; ~~or~~
 - c. Limited partnership, or a limited liability partnership:
 - i. A copy of a valid certificate of existence issued by the Arizona Secretary of State; ~~or;~~
 - ii. A copy, stamped "Filed" by the Arizona Secretary of State, of a Certificate of Limited Partnership, Certificate of Foreign Limited Partnership, Limited Liability Partnership form, Foreign Limited Liability Partnership form, or Statement of Qualification for Conversion of Limited Partnership or Limited Liability Partnership; ~~or~~
 - iii. A copy of a valid trade name certificate issued by the Arizona Secretary of State; or
 - d. Sole Proprietor:
 - i. A copy of a valid certificate of existence issued by the Arizona Secretary of State, or
 - ii. A copy of a valid trade name certificate issued by the Arizona Secretary of State;
10. A floor plan for each ~~established~~ place of business that includes:
 - a. A computer-generated graphic,
 - b. A blueprint or other photographic reproduction of an architectural plan or technical drawing, or
 - c. A nontechnical drawing made by hand using a straightedge;
11. A map, drawing, or narrative description of each skills test route and a photograph or drawing of each test site; and
- ~~12. Unless exempt, proof of a surety bond according to A.R.S. § 28-5104; and~~
- ~~13-12.~~ Unless exempt pursuant to A.R.S. § 28-5105, a full set of fingerprints for a criminal records check of each principal who must be at least age 18 years of age. The applicant is responsible for the cost of ~~finger printing~~ the fingerprinting and ~~background~~ criminal records check. Each full set of fingerprints shall be impressed on a fingerprint card:
 - a. Supplied by the Division Department, and
 - b. Completed by a law enforcement agency.
- B. Unless exempt pursuant to A.R.S. § 28-5105, an applicant for a third-party authorization shall submit, for each principal, a statement on a form provided by the ~~Division~~ Department with the following information:
 1. Name, including other names and birth dates used;
 2. Residence address;
 3. Any ~~Division-issued business~~ suspension, cancellation, revocation, or denial of any similar business license issued by the Department within ~~three~~ five years before the application date; and
 4. The individual's signature witnessed by a notary public or a ~~Division~~ Department agent designated under A.R.S. § 28-370(A); ~~and,~~
 5. ~~Any other information requested by the Director.~~
- C. The authorization application, ~~packet~~ as provided under subsection (A) and (B), is received within 30 days of application date.

R17-7-202. Notification of Authorization Approval or Denial and Hearing

- A. Notification. The ~~Division~~ Department shall send a written and dated notification of approval or denial of third-party authorization: application, in accordance with A.R.S. § 28-5107, by regular mail to the mailing address provided on the application.
 1. By regular mail,
 2. To the mailing address provided on the application, and
 3. According to A.R.S. § 28-5107.

Notices of Exempt Rulemaking

- B. Administrative Hearing. An applicant whose application for third-party authorization is denied by the Department may request a hearing from the Department on the denial pursuant to A.R.S. §§ ~~28-5107(B) through 28-5107(D)~~; 28-5107 and A.A.C. R17-1-501 through R17-1-511, and A.A.C. R17-1-513 R17-1-514 apply to a hearing on the denial of third-party authorization.

R17-7-203. Authorization Agreement

- A. ~~Before the Division issues a third-party authorization, an~~ An applicant receiving authorization shall whose third-party authorization application has been approved must sign a written an authorization agreement with the ~~Division as to~~ Department which specifies the terms and conditions of the third-party authorization before performing any third party program activities.
- B. The third-party authorization agreement shall may include an addendum identifying the specific requirements unique to each ~~third-party~~ third party program activity.

R17-7-204. Authorized Third-party Requirements

- A. An authorized third party shall maintain compliance with all state and federal laws, ~~Division~~ Department rules, and ~~contract~~ authorization agreement provisions.
- B. While holding a third-party authorization, any principal or ~~qualifying party~~ certified individual of an authorized third party shall not have a:
1. Suspension, cancellation, revocation, or denial of another ~~Division-issued~~ similar business license or agreement issued by the Department; or
 2. Delinquent fees, taxes, or unpaid balance owed to the ~~Division~~ Department.
- C. Until returned to the ~~Division~~ Department, an authorized third party shall retain the following records at ~~each branch~~ an established place of business or at the principal place of business:
1. All logs and copies of completed, issued, or voided accountable inventory;
 2. All unused accountable inventory; and
 3. All other paper and electronic records, including all supporting documents, relating to the activities provided by the authorized third party.
- D. ~~Upon~~ On the request of the Department, a an authorized third party shall ~~provide~~ produce and deliver to the Department the records listed in subsection (C).
- E. An authorized third party shall maintain a copy of the certificate issued by the Department relating to each type of authorized activity ~~the~~ that a certified individual performs at the business location where the certified individual works.
- F. An authorized third party shall retain a certified individual's personnel file for a minimum of one year after the certified individual's last day of work. The personnel file shall include the certified individual's:
1. Dates of employment,
 2. All computer access forms (if applicable), and
 3. Computer access termination form (if applicable).
- ~~G.~~ An authorized third party shall submit by the fifth day of each month, a monthly reconciliation report. ~~If the authorized third party fails to timely submit a monthly reconciliation report, the Division shall:~~
1. Give an oral or written warning for the first untimely report,
 2. Send a letter of concern for the second untimely report in a 12-month period, or
 3. Suspend or cancel the authorization for the third untimely report in a 12-month period.
- ~~H-G.~~ An authorized third party shall comply with the audit and inspection requirements of A.R.S. § 28-5102 and R17-7-401.
- ~~H-H.~~ An authorized third party shall provide a safe work area adequate in size and otherwise suitable to accommodate ~~the related test;~~ all authorized activities.
- L. An authorized third party shall:**
1. Have facilities, including the vicinity and equipment, preapproved or prescribed by the Department;
 2. Have one or more established places of business as approved by the Department; and
 3. Conduct all authorized activities only at the approved established places of business.
- J. An authorized third party shall obtain the ~~Division's~~ Department's written approval before:
1. Changing the location or floor plan of each established place of business,
 2. Changing a skills test route or test site, ~~or~~
 3. Performing ~~an~~ any additional authorized activity,
 4. Conducting any other businesses at an established place of business, or
 5. Using or adopting a name different from the name specified on its authorization agreement.
- K. An authorized third party shall ~~notify~~ provide written notice to the ~~Division~~ Department, within ~~two~~ five business days, of any ~~change~~ changes, including full name and address, to the list of certified ~~personnel~~ individuals or the contact individual.
- L. An authorized third party that is open to the public shall post at each place of business the sign required by A.R.S. § ~~28-5101(G)~~ 28-5101(J), and a sign provided by the ~~Division~~ Department that states the business:
1. Is a ~~Division-authorized~~ Department-authorized third-party provider, and

Notices of Exempt Rulemaking

2. May charge the customer a convenience fee when applicable.
- M. An authorized third party shall comply with the application requirements of R17-7-201 and provide the required information 30 days before: making any ownership changes.
 1. ~~Using a name different from the name on its Authorization Agreement, or~~
 2. ~~Changing ownership.~~
- ~~N.~~ An authorized third party shall cooperate with an onsite audit by Department personnel or the Department's representative.
- ~~O.~~ An authorized third party shall not represent that it is the state of Arizona, the Department, or the Division in any printed or electronic advertising or promotional material, except to the extent that it is authorized by the Division.
- ~~P.N.~~ An authorized third party shall attend all ongoing Division Department-approved training; within the time-frames established by the Department in its authorization agreement.
- ~~Q.O.~~ An authorized third party shall not employ, ~~or contract with,~~ or otherwise engage a current Department employee ~~to provide training for certification without written approval from the Department.~~
- P. An authorized third party shall:
 1. Submit all documents and corrections, according to state laws, rules, and the terms and conditions of its authorization agreement;
 2. Immediately notify the Department of any unlawful actions relating to motor vehicle transactions that become known to the authorized third party;
 3. Require that a customer submit all supporting documentation prescribed by the Department relating to a transaction before updating the Department databases;
 4. Provide written notice to the Department within 24 hours if a certified individual's:
 - a. Driver license is suspended, revoked, canceled, or disqualified by the Department, including a commercial driver license medical suspension under A.A.C. R17-4-508;
 - b. Vehicle certificate of title is canceled by the Department; or
 - c. Vehicle registration is suspended or canceled by the Department;
 5. Conduct skills tests, if applicable, only on test routes approved by the Department; and
 6. Maintain all minimum required insurance coverage as prescribed in the authorization agreement.
- Q. An authorized third party shall not solicit an individual for any purpose on premises rented, leased, or owned by the Department or any other business authorized under this Chapter.

~~R17-7-705.~~**R17-7-205. Financial Requirements**

~~An~~ If an authorized third party shall comply with the Division's specific financial requirements as follows. Deposit all money collects monies required to be remitted to the ~~Division~~ Department under A.R.S. § 28-5101, the authorized third party shall deposit those monies by the next business day following the transaction date in the designated:

1. ~~CBS Concentration Banking System~~ account, or
2. ~~Account through an electronic method pre-approved~~ preapproved by the ~~Division~~ Department.

~~R17-7-706.~~**R17-7-206. Corrective Action**

~~A.~~ The following definitions apply to this Section:

1. "Cancellation" means a Department action that withdraws an authorization or certification issued under A.R.S. Title 28, Chapter 13.
2. "Suspension" means a Department action that, for a stated period, prohibits:
 - a. An authorized third party from:
 - i. Providing at least one type of third-party activity, or
 - ii. Operating as an authorized third party.
 - b. A certified individual from:
 - i. Performing at least one type of third-party activity, or
 - ii. Working for an authorized third party.

~~A.B.~~ Non-compliance ~~An authorized third party's noncompliance with federal and or state laws, rules, or contract the terms and conditions of its authorization agreement requirements shall may~~ result in corrective action.

~~B.C.~~ The ~~Division~~ Department shall send a notice of any ~~corrective action actions~~ for non-compliance under (A) by regular mail to the mailing address listed in the authorization agreement.

~~C.D.~~ Corrective actions shall that the Department may take include probation, suspension, or cancellation of a third-party authorization or certification based on:

1. ~~Non-compliance,~~
2. History of non-compliance ~~noncompliance,~~
3. Frequency and severity of the violation, or
4. Failure to maintain good standing ~~status defined in R17-7-101.~~

~~R17-7-609.~~**R17-7-207. Denial, Cancellation, and Suspension**

~~A.~~ The following definitions apply to this Section:

Notices of Exempt Rulemaking

1. "Cancel" has the same meaning as "cancellation" in R17-7-206.
 2. "Suspend" has the same meaning as "suspension" in R17-7-206.
- B.** ~~The Division shall deny; Department may cancel; or suspend a third-party authorization or certification, upon on~~ determination by the Director; ~~that a Contractor or Examiner an authorized third party is no longer qualified for authorization or certification under this Chapter, or is in material breach of the Authorization Agreement~~ authorization agreement with the Division Department.

ARTICLE 3. CERTIFICATION

R17-7-301. Certification Application Requirements

- A.** A certification applicant shall provide to the ~~Division~~ Department the following:
1. The applicant's name, residence address, mailing address, telephone number, and date of birth;
 2. The activities for which the applicant seeks certification;
 3. The dates of any employment of the applicant by the ~~Division~~ Department;
 4. Whether the ~~Division~~ Department previously denied an application for any certification of the applicant;
 5. ~~For The activity the applicant was certified to perform for each previous certification issued to the applicant by the Division;~~ Department;
 - a. ~~The effective dates of the certification, and~~
 - b. ~~The activity the applicant was certified to perform;~~
 6. Whether the ~~Division~~ Department suspended or canceled any certification listed under subsection (A)(5);
 7. If the applicant previously worked as a certified individual, the names of the last three authorized third parties and professional driving schools that employed or contracted with the applicant, and the dates of the employment or contract work;
 8. The applicant's signature;
 9. A statement that the applicant is in good standing ~~with the Division, if applicable;~~
 10. A full set of fingerprints, on a fingerprint card supplied by the ~~Division~~ Department and completed by a law enforcement agency, for a criminal records check; ~~and~~
 11. ~~If the applicant requests certification as a driver license processor or a driver license examiner, the The applicant's driving record for the 39 months before the application date-, which must be dated within 30 days of the application date; and~~
 12. The official name of the authorized third party at which the applicant will be employed.
- B.** The applicant is responsible for the cost of ~~the~~ finger printing and criminal records check.
- C.** An applicant for a certification shall submit to the ~~Division~~ Department a statement with the information listed under R17-7-201(B).
- D.** An applicant ~~is~~ may be eligible for certification if the applicant:
1. Is at least ~~age~~ 18 years of age on the application date or 21 years of age, if the applicant requests certification as a commercial driver license examiner, driver license trainer, or a driver license processor who will be performing driver license skills tests;
 2. Is in good standing ~~as defined in R17-7-101; and~~
 3. Successfully completes all training courses required by the ~~Division~~ Department; and
 4. ~~The Submits the certification application packet as provided in subsections (A) through (C) is received to the Department within 30 days of the application date.~~
- E.** ~~An applicant who was previously employed by the Division is eligible for certification if the applicant:~~
1. ~~Meets the requirements under subsection (D);~~
 2. ~~Was not terminated by the Division for misconduct in performing official duties within three years of the application date, or~~
 3. ~~Did not resign during a Division investigation of misconduct in performing official duties within three years of the application date.~~
- E.** An applicant for certification shall:
1. Be employed or under contract for an employer applying for authorization or authorized as an authorized third party.
 2. Not have any driver license suspensions, revocations, or cancellations within 39 months of the application date, including convictions related to:
 - a. Driving under the influence of intoxicating liquor or drugs,
 - b. Reckless driving,
 - c. Racing upon the highway, or
 - d. Leaving the scene of an accident.

R17-7-302. Notification of Certification Approval or Denial and Hearing

- A.** Notification. The ~~Division~~ Department shall send a written and dated notification of certification approval or denial:
1. By regular mail,
 2. To the mailing address provided on the application, and

Notices of Exempt Rulemaking

3. According to A.R.S. § 28-5107.

- B. Administrative Hearing. An applicant whose application to become a certified individual is denied by the Department may request a hearing from the Department on the denial pursuant to A.R.S. §§ 28-5107(B) through 28-5107(D), 28-5107 and 17 A.A.C. R17-1-501 through R17-1-511, and A.A.C. R17-1-513 apply to a certification denial hearing 1, Article 5.

R17-7-704, R17-7-303. General Requirements of an Authorized Third Party or a Certified Individual

A. ~~The authorized third party or~~ A certified individual shall:

1. Submit all documents and corrections, according to all state laws, and rules; and ~~Third Party Authorization Agreement~~ the authorization agreement between the Department and the authorized third party;
2. Immediately notify the ~~Division~~ authorized third party of unlawful actions relating to motor vehicle transactions;
3. Require that a customer submit all supporting documentation relating to a ~~title and registration or driver license transactions~~ transaction before updating the ~~Division~~ Department databases;
4. Maintain professional conduct as required under R17-7-607;
5. Provide ~~written notice~~ notification within 24 hours to both the authorized third party program and the ~~Division~~ third party if the certified individual's:
 - a. driver ~~Driver~~ license is suspended, revoked, canceled, or disqualified by the ~~Division~~, Department including a CDL medical suspension under R17-5-508;
 - b. Vehicle certificate of title is canceled by the Department; or
 - c. Vehicle registration is suspended or canceled by the Department;
5. Provide notification within 5 business days to the authorized third party of any changes to the certified individual's name or address; and
6. Conduct skills tests only on ~~Division~~ approved test routes;
6. Attend ongoing ~~Department~~ approved training, including, if applicable, a commercial driver license refresher training course, before each renewal of the authorization agreement.

B. A certified individual shall not:

7. Not witness ~~Witness~~ or notarize signatures on documents relating to ~~title and registration transactions~~ a transaction unless the customer submits appropriate identification; or
8. Not accompany any applicant into the ~~Division~~ or any third-party office; or
9. Solicit ~~an individual~~ for any purpose, ~~an individual~~ on the premises rented, leased, or owned by the ~~Division~~ Department or any other business authorized under the ~~Driver License Examination Program~~ this Chapter.

R17-7-304. Corrective Action

A. The following definitions apply to this Section:

1. "Cancel" has the same meaning as "cancellation" in R17-7-206.
2. "Suspend" has the same meaning as "suspension" in R17-7-206.

B. A certified individual's noncompliance with federal or state laws, rules, or the terms and conditions of the authorization agreement between the Department and the authorized third party may result in corrective action.

C. The Department shall send a notice of any corrective actions by regular mail to the mailing address provided by the authorized third party.

D. Corrective actions that the Department may take include probation, suspension, or cancellation of an individual's certification based on:

1. History of noncompliance,
2. Frequency and severity of the violation, or
3. Failure to maintain good standing.

R17-7-305. Cancellation and Suspension

A. The following definitions apply to this Section:

1. "Cancel" has the same meaning as "cancellation" in R17-7-206.
2. "Suspend" has the same meaning as "suspension" in R17-7-206.

B. The Department may cancel or suspend certification on determination by the Director that a certified individual is no longer qualified for certification under this Chapter, or has committed a material breach of the authorization agreement between the Department and the authorized third party.

ARTICLE 4. AUDITS AND INSPECTION

R17-7-401. Audits and Inspection

A. During an onsite audit or inspection, ~~employees or agents of the Department~~ personnel, a ~~any~~ law enforcement agency, ~~employees, or agents of the Federal Motor Carrier Safety Administration~~ may:

1. Review and Request, review, audit, inspect, copy, or seize all paper, photographic, audio, and electronic records generated in the performance of any activities under this Chapter, whether in the possession of a current or former authorized third party or a certified individual;
2. Examine the site of any places of business or other location where any of the materials in subsection (A)(1) are kept

Notices of Exempt Rulemaking

or may be found, or where any activities under this Chapter are or have been conducted during current or previous periods of authorization or certification; and

3. Interview all or any of the authorized third party's:
 - a. Employees Current or former employees or contractors,
 - b. Certified Current or former certified individuals, and
 - c. Customers during current or previous periods of authorization or certification.

- B. If Department personnel or the Department's representative conducts an onsite audit outside Arizona under A.R.S. § 28-5102(B)(3), the Department shall charge, and the authorized third party shall timely pay, for the costs of the audit, as well as any fees authorized under A.R.S. § 28-5102. † The audit charge and payment shall equal include the Arizona Department of Administration reimbursement amounts for out-of-state travel authorized by A.R.S. Title 38, Chapter 4, Article 2 and stated in Section II-D of the Arizona Accounting Manual prepared by the Arizona Department of Administration-~~2-Section II-D of the Arizona Accounting Manual, which~~ is available on the Arizona General Accounting Office web site at www.gao.state.az.us www.gao.az.gov.

ARTICLE 5. ~~PRE-APPLICATION AND SELECTION PANEL~~

R17-7-501. Definitions

The following ~~term definition~~ applies to this Article, unless ~~the content~~ otherwise requires specified:

"Selection Panel" means a committee, designated by the Director and comprised of Department personnel, to review and evaluate a potential applicant under Articles 2 and 3 of this Chapter.

R17-7-502. ~~Pre-application and Selection Panel~~

- A. For the selection panel process, an applicant shall:
1. Submit Shall submit a completed ~~Third-Party~~ Third Party Authorization Interest form ~~under R17-7-201;~~ as provided by the Department.
 2. Submit Shall submit a business plan with information as required by the ~~Division;~~ Department, and
 3. Attend May attend an interview conducted by ~~Division~~ Department personnel.
- B. The ~~Division~~ selection panel shall evaluate documentation as required in subsections (A)(1) and (A)(2) for each applicant.
- C. The ~~Division~~ selection panel shall forward the results of the evaluation to the appropriate Department program.

ARTICLE 6. COMMERCIAL DRIVER LICENSE EXAMINATION PROGRAM

R17-7-601. Definitions

The following ~~terms and phrases~~ definitions apply to this Article, unless ~~the context~~ otherwise requires specified:

1. ~~"Arizona Commercial Driver License Manual" means the Division's approved reference material for CDL applicants, containing specific requirements to obtain a CDL.~~
2. ~~"Arizona CDL Examiners Manual" means the Division's approved curriculum for training CDL examiners for administering the CDL skills test.~~
3. ~~"CDL" means Commercial Driver License~~ commercial driver license.
4. ~~"CDLE" means Commercial Driver License Examination~~ commercial driver license examination.
5. ~~"CDLE Coach coach or Transit Bus Activity transit bus" means the program activity for administering examinations for a Passenger (P) endorsement on a CDL.~~
6. ~~"CDLE School Bus Activity school bus" means the program activity for administering examinations for a School Bus (S) endorsement on a CDL.~~
7. ~~"CDLE Truck Activity truck" means the program activity for administering examinations for a Class A, B, or C truck license.~~
8. ~~"Component Parts" means the safety-related parts as listed on the "Third Party CDL Demonstration Test Score Sheet."~~
9. ~~"Contractor" means an authorized third party that enters into an agreement with the Division to employ a Driver License Examiner.~~
10. ~~"Driver license examiner" means an individual certified as either a commercial or non-commercial driver license examiner as defined under this Section.~~
11. ~~"Demonstration Test" means a skills test defined in R17-7-101.~~
12. ~~"NDL" means Noncommercial Driver License, Class D, G, or M.~~
13. ~~"NDLE" means Noncommercial Driver License Examination.~~
14. ~~"NDLE Operator Activity" means the program activity for Class D and G driver licenses.~~
15. ~~"NDLE Motorcycle Activity" means the program activity for Class M driver license or endorsement.~~
16. ~~"Pre-trip Inspection Examination" means the process of examining the applicant's ability to identify a commercial vehicle's component parts, and to determine if the parts are in safe operating condition as required under state and federal law.~~
17. ~~"Qualifying party" means a bona fide employee designated by the principal, to qualify for authorization on behalf of the principal.~~

Notices of Exempt Rulemaking

“Monthly reconciliation report” means an authorized third party CDLE program’s report of accountable inventory.

R17-7-602. Activities

The authorized and certified activities for the ~~Driver License Examination~~ CDLE Program are:

1. CDLE ~~“Coach coach or Transit Bus transit bus,”~~
2. CDLE ~~“School Bus school bus,” or~~
3. CDLE ~~“Truck truck,”~~
4. NDLE ~~“Motoreycle,” or~~
5. NDLE ~~“Operator.”~~

R17-7-603. Additional Authorization Application Requirements for ~~Driver License Examination~~ CDLE Program

In addition to satisfying the requirements of R17-7-201, an applicant ~~approved by the Selection Panel~~ for third-party authorization shall:

1. ~~Provide the name, telephone number, and e-mail address of the applicant’s qualifying party on the Authorization Application.~~
2. ~~The qualifying party shall:~~
 - a. ~~Be a bona fide employee whose principal employment is with the company for whom the applicant has qualified for authorization;~~
 - b. ~~Have complete oversight, supervision, and responsibility of all operations necessary of the principal, to ensure full compliance with all applicable statutes, rules, and program requirements; and~~
 - e. ~~Meet all authorization requirements on behalf of the principal.~~
- 3.1. ~~Submit a “Site Inspection Request” form for each of the following:~~
 - a. ~~Principal Photographs and a floor plan of the principal place of business that shows the location of the accountable inventory storage,~~
 - b. ~~Established Photographs and a floor plan of each established place of business,~~
 - c. ~~Branch office~~ A test route that complies with the specifications provided by the Department, and
 - d. ~~Test Site:~~
 - i. ~~CDLE: The Driver License Examiner shall attach Photographs and a diagram with the dimensions of any proposed CDL test site. The physical dimensions of the site shall comply with the Arizona CDL Examiners Manual specifications provided by the Department. The test site shall provide sufficient room to perform all skill maneuvers, be obstacle free and be off the roadway.~~
 - ii. ~~Motoreycle: The Driver License Examiner shall attach a diagram with the dimensions of any proposed motoreycle test site to the inspection request. The physical dimensions of the site shall comply with the Motoreycle Safety Foundation requirements.~~
- 4.2. ~~Maintain a~~ Provide to the Department a copy of the current lease or other written agreement for the use of the land if the applicant does not own the land on which the place of business or test site is located.
- 5.3. ~~Ensure that each principal place of business, established place of business, branch office, and test site:~~
 - a. ~~Meet Meets~~ all local zoning requirements, and
 - b. ~~Are Is~~ not used as a residence.

R17-7-604. Additional Certification Application Requirements for Commercial Driver License Examination Program Examiners

A. In addition to satisfying the requirement of R17-7-301, an applicant for certification as a ~~Driver License Examiner~~ commercial driver license examiner shall:

1. Possess a valid Arizona driver license of the class and endorsement representative of the examinations to be administered by the ~~Driver License Examiner~~ commercial driver license examiner;
2. Not have a driver license suspension, cancellation, revocation, or disqualification within ~~the~~ 39 months of the application date, including a CDL medical suspension under A.A.C. R17-4-508, or a conviction or finding of responsibility for any violation under A.R.S. § 28-3312 within ~~39 months~~ five years of the application date ~~relating to;~~ and
 - a. ~~Driving under the influence of intoxicating liquors or drugs,~~
 - b. ~~Reckless driving,~~
 - e. ~~Racing upon a highway, or~~
 - d. ~~Leaving the scene of an accident.~~
3. ~~For CDLE:~~
 - a. ~~Be at least 21 years of age,~~
 - b. ~~Have a minimum of three years of driving experience pertaining to the operation of a commercial vehicle representative of the type and class for which the applicant is seeking certification, and~~
 - e. ~~Have a total of three years experience in:~~
 - i. ~~Issuing driver licenses;~~
 - ii. ~~Instructing driver education;~~
 - iii. ~~Instructing professional driving, or~~

Notices of Exempt Rulemaking

- iv. Any combination of subsections (c)(i) through (c)(iii).
 - 4. For NDLE:
 - a. Be at least 18 years of age;
 - b. Have a minimum of one year driving experience, and
 - c. Have a total of one year experience in:
 - i. Issuing driver licenses;
 - ii. Instructing driver education;
 - iii. Instructing professional driving; or
 - iv. Any combination of subsections (c)(i) through (c)(iii).
 - 3. Have a minimum of three years of driving experience pertaining to the operation of a commercial vehicle representative of the type and class for which the applicant is seeking certification.
- 5-B. ~~A contractor has the right to~~ An authorized third party that has entered into an authorization agreement may withdraw a certification application if the examiner applicant has failed to meet certification requirements.

R17-7-605. Additional Authorized Driver License Examination CDLE Program Requirements

In addition to ~~satisfying the requirements of R17-7-204, after authorization, a Driver License Examiner~~ the authorized third party shall:

- 1. Ensure all vehicles used for examination ~~are:~~
 - a. ~~Representative~~ Are representative of the class and type for which the individual is seeking a driver license;
 - b. ~~Maintained~~ Are maintained in a safe operating condition, ~~and;~~
 - c. Comply with registration and insurance requirements set forth in A.R.S. Title 28, Chapters 7, 9, 15, and 16; ~~and~~
 - ~~2-d. Maintain approved commercial vehicles that comply~~ Comply with applicable Federal Motor Carrier Safety Regulations and Arizona Commercial Driver License Manual;
- 3. ~~Purchase and maintain the following examination equipment:~~
 - a. ~~For CDLE skills testing:~~
 - i. ~~At least fifteen 28" high traffic cones;~~
 - ii. ~~Measuring tape;~~
 - iii. ~~Clipboard, and~~
 - iv. ~~At least two wheel chocks for placement in front of and behind the vehicle rear wheels for pre-trip inspection examination.~~
 - b. ~~For NDLE skills testing:~~
 - i. ~~Clipboard;~~
 - ii. ~~Fire Extinguisher (Class A,B,C);~~
 - iii. ~~First aid kit;~~
 - iv. ~~Proper vision screening equipment approved by the Division if providing vision examinations, and~~
 - v. ~~Seventy-five 4 or 6 inch high traffic cones (motorcycle only).~~
- 4. ~~Notify the Division within two business days of any change of the qualifying party; and~~
- 5. ~~Notify the Division, within two business days, of any change to the list of certified personnel, or the contact individual.~~
- 2. Maintain compliance with applicable federal rules and the federal rules as adopted by the Department under 17 A.A.C. Chapter 5, Article 2;
- 3. Allow employees or agents of the Department, any law enforcement agency, or the Federal Motor Carrier Safety Administration without prior notice to do any of the following:
 - a. Take the tests administered by the authorized third party as if the employee or agent is a test applicant.
 - b. Co-score along with the commercial driver license examiner during skills tests to compare pass or fail results.
 - c. Retest a sample of drivers who were examined by the authorized third party, or
 - d. Provide access to a vehicle for use under this subsection;
- 4. Maintain the following records at the authorized third party's principal place of business:
 - a. A copy of its current authorization agreement with the Department.
 - b. A copy of the current commercial driver license examiner's certificate for each examiner.
 - c. A copy of each completed skills test score sheet for the current calendar year and the past two calendar years.
 - d. A copy of the authorized third party's approved skills test routes and test sites, and
 - e. A copy of each commercial driver license examiner's training record;
- 5. Submit to the Department by the fifth day of each month, a monthly reconciliation report. If the authorized third party fails to timely submit a monthly reconciliation report, the Department may:
 - a. Give an oral or written warning for the first untimely report.
 - b. Send a letter of concern for the second untimely report in a 12-month period, or
 - c. Suspend or cancel the authorization for the third untimely report in a 12-month period; and
- 6. Verify each CDL applicant:
 - a. Possesses a valid Arizona driver license with a photograph and a valid Department-issued commercial instruc-

Notices of Exempt Rulemaking

- tion permit for the class and endorsement of the vehicle to be used in the skills test, and
- b. Has successfully completed the CDL written tests.

R17-7-606. Certified Commercial Driver License Examiner Requirements

- A.** A Certified Driver License Examiner In addition to satisfying the requirements of R17-7-303, a certified commercial driver license examiner shall:
1. Comply with all state and federal laws, Division rules, and ~~contract provisions~~ the terms and conditions of the authorization agreement requirements between the Department and the authorized third party;
 2. Maintain compliance with all ~~pre-certification~~ certification requirements as prescribed in R17-7-301;
 3. Not administer any examination unless the driver license CDL applicant meets the requirements of all statutes, rules and policies governing relating to driver licensing;
 4. Attend ongoing Division training;
 5. Provide written notice within 24 hours to both the Authorized Driver License Examination Program licensee and the Division if the examiner's driver license is suspended, revoked, canceled or disqualified, including a CDL medical suspension or revocation under R17-4-508;
 6. 4. Conduct skills tests only on ~~Division approved~~ Department-approved test routes; and
 7. 5. Complete, in the presence of the CDL applicant, the score sheet at the time of the skills test. The score sheet is valid for 30 calendar days from the day the CDL applicant completes the skills test; and
 8. Verify the CDL driver license applicant possesses a:
 - a. Valid Arizona driver license with photograph;
 - b. Valid Division-issued commercial instruction permit for the class and endorsement of the vehicle to be used in the skills test, and
 - c. Sealed envelope from the Division containing a valid Arizona Driver License or Identification Card Application that names the applicant in the appropriate section and states the applicant successfully completed the CDL written tests.
- B.** If the commercial driver license examiner's CDL is suspended, revoked, canceled, or disqualified, the certified commercial driver license examiner shall not administer any CDLE.
- C.** A commercial driver license examiner shall not accompany an applicant into any office or testing location rented, leased, or owned by the Department.

R17-7-607. Professional Conduct Repealed

~~The Driver License Examination contractor or examiner shall not:~~

1. ~~Accompany an applicant into an MVD field office or any other Authorized Driver License Examination Program office;~~
2. ~~Solicit for any purpose, an individual on the premises rented, leased, or owned by the Division or any other business authorized under the Driver License Examination Program.~~

R17-7-608. Enforcement Repealed

~~Upon termination from the Driver License Examination Program, whether voluntary or involuntary, the Driver License Examiner shall surrender the following to the Division:~~

1. ~~All authorization, certification, and branch certificates issued by the Division;~~
2. ~~All unused Division forms and unused accountable inventory;~~
3. ~~All copies of completed or voided accountable inventory and logs; and~~
4. ~~All records of driver license examinations conducted.~~

ARTICLE 7. TITLE AND REGISTRATION PROGRAM DRIVER LICENSE TRAINING PROVIDER PROGRAM

R17-7-701. Definitions

~~The following terms and phrases apply to this Article, unless the content otherwise requires:~~

1. ~~"Concentration Banking System (CBS)" means a type of state bank account, established by the Arizona State Treasurer's office, for deposit of funds collected by an authorized third party.~~
2. ~~"Floor plan" means a Division approved diagram of a building's interior, as seen from above, that shows the interior dimensions and the location of doors, windows, and equipment.~~
3. ~~"Vicinity" means the area adjacent to, or in the immediate proximity of, each authorized third party's place of business.~~

~~The following definitions apply to this Article unless otherwise specified:~~

~~"Driver license training provider" means a business enterprise conducted by an individual, association, partnership, or corporation that educates and trains persons, either practically or theoretically, or both, to operate or drive motor vehicles; that prepares applicants for an examination given by the state for a driver license or instruction permit; and that charges a consideration or tuition for these services.~~

~~"Minimum professional training standards" means the Department's approved basic content of material to be presented to~~

Notices of Exempt Rulemaking

and understood by the student through evaluation.

R17-7-702. ~~Authorization Application~~ Additional Authorization Application Requirements for Driver License Training Providers

In addition to the requirements in R17-7-201, an applicant for third-party authorization shall provide to the Division:

1. A floor plan of each place of business that includes:
 - a. A computer-generated graphic;
 - b. A blueprint or other photographic reproduction of an architectural plan or technical drawing; or
 - e. A non-technical drawing made by hand using a straightedge; and
2. A third-party bond for each branch location unless otherwise exempt under A.R.S. § 28-5104.

In addition to satisfying the requirements of R17-7-201, an applicant for third-party authorization shall:

1. Submit the following:
 - a. The specified course of instruction which will be offered, and
 - b. Sample copies of the contracts that will be offered to prospective students or given to enrolled students.
2. Provide a certified statement that the applicant will meet the minimum professional training standards as set forth by the Department. The minimum professional training standards will be provided to the applicant and included in the authorization agreement.
3. Provide a copy of any current leases or agreements for the use of the land or buildings on which the applicant's places of business and training sites are located.
4. Ensure that all places of business and training sites:
 - a. Meet all local zoning requirements, and
 - b. Are not used as a residence.

R17-7-703. ~~General Authorization Requirements for the Title and Registration Program~~ Additional Certification Application Requirements for Driver License Trainers

In addition to R17-7-201 and R17-7-204, the authorized third party shall:

1. ~~Have facilities, including the vicinity and equipment, pre-approved by the Division;~~
2. ~~Have an established place of business as defined in R17-7-101;~~
3. ~~Conduct all authorized activities only at the established place of business; and~~
4. ~~Submit to the Division for review and approval any other businesses the authorized third party conducts at the established place of business.~~

In addition to satisfying the requirements of R17-7-301, an applicant for certification as a driver license trainer shall satisfy all of the following:

1. Pass an examination given by the Department consisting of an actual demonstration or a written test, or both, covering:
 - a. Traffic laws;
 - b. Safe driving practices;
 - c. Operation of motor vehicles;
 - d. Knowledge of teaching methods, techniques, and practices; and
 - e. Authorized third-party statutes and rules, business ethics, office procedures, and elementary recordkeeping;
2. Have at least a high school diploma or its equivalent;
3. Hold a valid Arizona driver license;
4. Be physically and mentally able to safely operate a motor vehicle and to train others in the operation of motor vehicles. To substantiate this requirement, the Department may require a properly signed and completed certificate of medical examination conducted by a person qualified and licensed to practice medicine in this state; and
5. Provide other information the Department deems pertinent for determining the applicant's good moral character.

R17-7-704. Additional Authorized Driver License Training Provider Program Requirements

In addition to satisfying the requirements of R17-7-204, the authorized third party shall comply with the following:

1. The director shall approve, and may modify, in writing the minimum professional training standards that each authorized third party driver license training provider shall teach to its students. Those minimum professional training standards shall be included in the authorization agreement.
2. The established place of business of each authorized third party driver license training provider must be used only for activities authorized by the Department.
3. Each established place of business shall meet all requirements of state law, local ordinances, and the accessibility requirements of the Americans with Disability Act of 1990 (42 U.S.C. 12101 et seq.). The Department may require proof of compliance with local zoning ordinances.
4. An authorized third party driver license training provider must post its office hours in a conspicuous place clearly visible to the public within that location and be open to the public during the posted hours. The person left in charge of the office during the posted office hours must be fully trained to give pertinent information to the public as well as give information to any representative of the Department or to any law enforcement agency.

Notices of Exempt Rulemaking

5. The authorized third party driver license training provider shall provide adequate facilities for any student being given instruction in other than behind-the-wheel driver training.
6. An authorized third party driver license training provider shall maintain the following records at an established place of business or at the principal place of business and make them available for audit and inspection during normal business hours:
 - a. All records setting forth the name, address, contract number, and terms of payment with respect to every person receiving training of any kind, or any other service relating to the operation of a motor vehicle. These records must also contain the date, type, and duration of all training, including the name of the certified individual giving the lessons and the license plate number, make, and model of the vehicle used to conduct the training.
 - b. A record of all receipts and disbursements.
 - c. A record of all training vehicle maintenance and repairs.
7. If an authorized third party driver license training provider enters into a written contract with any person or group of persons receiving training relating to the operation of a motor vehicle, the training provider shall give the original contract to the student or the student's agent who executes the contract and shall retain a copy of the contract in its records.
8. An authorized third party driver license training provider shall equip each motor vehicle used for driver training with:
 - a. If the motor vehicle is equipped with an automatic transmission, at least a dual braking device that enables an accompanying driver license trainer to bring the motor vehicle under control in case of emergency; and
 - b. If the motor vehicle is equipped with a standard transmission, at least a dual clutch and braking device that enables an accompanying driver license trainer to bring the motor vehicle under control in case of emergency.
9. An authorized third party driver license training provider must maintain all motor vehicles in safe operating condition at all times.
10. An authorized third party driver license training provider shall conduct training only on test routes approved by the Department.
11. An authorized third party driver license training provider shall not:
 - a. Indicate or represent in any advertisement that the training provider can issue or guarantee issuance of a driver license in any jurisdiction.
 - b. Imply or represent that the training provider can in any way influence the Department or an authorized third party in the issuance of a driver license, or
 - c. Imply or represent that preferential or advantageous treatment from the Department or an authorized third party can be obtained.
12. An authorized third party driver license training provider or a certified trainer shall not accompany any student into any examining office or testing location rented, leased, or owned by the Department or an authorized third party for the purpose of taking a driver license examination.
13. In case of loss or mutilation, a duplicate authorization certificate may be issued by the Department on submission of a properly signed and completed application accompanied by an affidavit setting forth the circumstances. The affidavit must show the date the previously-issued authorization certificate was lost, mutilated, or destroyed, and the circumstances involving its loss, mutilation, or destruction.
14. An authorization for a driver training provider is nontransferable.

R17-7-705. Certified Driver License Trainer Requirements

- A.** In addition to satisfying the requirements of R17-7-303, a certified driver license trainer shall maintain compliance with all certification requirements as prescribed in R17-7-301.
- B.** In case of loss or mutilation, a duplicate certification may be issued by the Department on submission of a properly signed and completed application accompanied by an affidavit setting forth the circumstances. The affidavit must show the date the previously-issued certification was lost, mutilated, or destroyed, and the circumstances involving its loss, mutilation, or destruction.
- C.** A driver license trainer certification is nontransferable.

R17-7-707. General Application Requirements for Certification of an Individual Repealed

~~In addition to the requirements in R17-7-301 an applicant requesting:~~

- ~~1. Certification shall:~~
 - a. ~~Complete all supplementary application forms, and~~
 - b. ~~Be employed or under contract for an employer applying for or authorized as a Title and Registration or Driver License Authorized Provider, as applicable.~~
- ~~2. Driver license certification shall:~~
 - a. ~~Not have any driver license suspensions, revocations, cancellations or disqualifications within the 39 months of application, including convictions related to:~~
 - i. ~~Driving under the influence of intoxicating liquors or drugs,~~
 - ii. ~~Reckless driving,~~

Notices of Exempt Rulemaking

- iii. ~~Racing upon the highway, or~~
- iv. ~~Leaving the scene of an accident.~~
- b. ~~Not have a CDL medical suspension under R17-4-508.~~

ARTICLE 8. ~~THIRD PARTY INSPECTION PROGRAM REPEALED~~

R17-7-801. ~~Definitions Repealed~~

~~The following term applies to this Article, unless the context otherwise requires:~~

~~“Inspection” means vehicle verification as prescribed in A.R.S. § 28-2011.~~

R17-7-802. ~~General Provisions; Additional Duties; Reporting Requirements for Inspection Program Repealed~~

~~**A.** In addition to the authorization provisions under R17-7-101 through R17-7-501, an authorized vehicle inspection provider shall:~~

- ~~1. Maintain all vehicle inspection forms in numerical order by the accountable form number;~~
- ~~2. Ensure that the Division receives the following by the fifth day of each month:~~
 - ~~a. Completed Vehicle Inspection Monthly Reconciliation Report for the previous month;~~
 - ~~b. Division copies of the vehicle inspection forms, along with any voided forms; and~~
 - ~~c. If no inspections were completed during the previous month, a verification of Vehicle Inspection Monthly Reconciliation indicating zero inspections.~~
- ~~3. Retain all vehicle inspector copies of completed and voided vehicle inspection forms in numerical order by accountable form number, filed by month, and made readily accessible for audit purposes for a period of three years.~~

~~**B.** In the event that the Division does not receive a Vehicle Inspection Monthly Reconciliation Report from the Authorized Vehicle Inspection Provider, under R17-7-802, the Division shall take corrective action according to R17-7-706.~~