

Senate Engrossed

State of Arizona
Senate
Fiftieth Legislature
Second Regular Session
2012

SENATE BILL 1286

AN ACT

AMENDING SECTION 28-2166, ARIZONA REVISED STATUTES; RELATING TO MOTOR VEHICLE
REGISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-2166, Arizona Revised Statutes, is amended to
3 read:

4 28-2166. Registration of vehicle rented without a driver;
5 liability insurance; joint liability; violation;
6 classification; definition

7 A. The department of transportation shall not allow an owner who is
8 engaged in the business of renting or who intends to rent a motor vehicle
9 without a driver to register the motor vehicle until either:

10 1. The owner has procured public liability insurance with an insurance
11 company approved by the department of insurance.

12 2. The owner has furnished to the department of transportation
13 satisfactory proof of the owner's ability to respond in damages in the amount
14 of fifteen thousand dollars if one motor vehicle is registered and ten
15 thousand dollars for each additional motor vehicle. Proof of the ability to
16 respond in damages in the amount of one hundred thousand dollars is
17 sufficient for any number of motor vehicles.

18 B. The policy of insurance required by subsection A **OF THIS SECTION**
19 shall:

20 1. Insure the renter against:

21 (a) Liability arising from the renter's negligence in the operation of
22 the rented motor vehicle in an amount of at least fifteen thousand dollars
23 for any one person injured or killed and thirty thousand dollars for any
24 number more than one injured or killed in any one accident.

25 (b) Liability of the renter for property damage in the amount of at
26 least ten thousand dollars for any one accident.

27 2. Cover the liability of the renter to a passenger in the rented
28 motor vehicle unless the owner gives the renter a written notice that the
29 policy does not cover the liability.

30 C. The public liability insurance or the obligation of a self-insured
31 owner pursuant to this section is **primary EXCESS** coverage to any other
32 available insurance coverage for any damages and injury caused by a renter.
33 **IF NO OTHER INSURANCE IS AVAILABLE TO THE RENTER, THE PUBLIC LIABILITY**
34 **INSURANCE OR THE OBLIGATION OF A SELF-INSURED OWNER IS PRIMARY. FOR THE**
35 **PURPOSES OF THIS SUBSECTION, "EXCESS" MEANS THE PUBLIC LIABILITY INSURANCE OR**
36 **OBLIGATION OF A SELF-INSURED OWNER THAT SHALL NOT EXCEED THE LIMITS**
37 **PRESCRIBED BY SUBSECTION B OF THIS SECTION, AND IS SECONDARY TO THE RENTER'S**
38 **AVAILABLE INSURANCE.**

39 D. The owner regulated by this section:

40 1. Is not an insurer and has no obligation to provide a defense after
41 the owner has tendered its limits ~~to either the insured party or the next~~
42 ~~available coverage for a renter~~ in a situation if a renter has caused
43 property damage or personal injuries. The obligation of any other insurance
44 company to provide a defense if a renter is alleged to have caused property

1 damages or personal injuries shall be determined in accordance with the
2 specific provisions of the applicable policy.

3 2. SHALL RESPOND TO THE THIRD PARTY CLAIM, PROVIDE FINANCIAL
4 RESPONSIBILITY AS PRESCRIBED BY SUBSECTION B OF THIS SECTION AND PROVIDE A
5 DEFENSE FOR ALL CLAIMS FOR DAMAGES FOR LIABILITY ARISING OUT OF THE
6 OWNERSHIP, MAINTENANCE OR USE OF A VEHICLE IF THERE IS AN ACCIDENT AND BOTH
7 OF THE FOLLOWING APPLY:

8 (a) THERE ARE DAMAGES OR INJURIES THAT ARE CAUSED BY THE RENTER.

9 (b) THE RENTER DOES NOT HAVE OTHER LIABILITY COVERAGE AVAILABLE OR
10 REMAINING.

11 ~~2-~~ 3. In any situation in which damages or injuries are caused by a
12 person who is operating a motor vehicle and who is not authorized by the
13 written rental agreement to do so, has a right of subrogation against the
14 person who rented the motor vehicle for damages that are caused to the owner
15 and that arose out of the unauthorized operation of the owner's motor
16 vehicle.

17 ~~3-~~ 4. Except as provided in paragraph ~~2-~~ 3 of this subsection, has no
18 other right of subrogation against the person who rented the motor vehicle.

19 E. The department of transportation shall cancel the registration of a
20 motor vehicle rented without a driver if the owner has failed to comply with
21 this section.

22 F. The owner of a motor vehicle who rents it to another without a
23 driver, other than as a bona fide transaction involving the sale of the motor
24 vehicle, without having procured the required public liability insurance or
25 without qualifying as a self-insurer pursuant to section 28-4007 with at
26 least the minimum limits prescribed in subsection A of this section is
27 jointly and severally liable with the renter for damage caused by the
28 negligence of the renter operating the motor vehicle.

29 G. The owner of a motor vehicle who rents a motor vehicle without a
30 driver, other than as a bona fide transaction involving the sale of the motor
31 vehicle, without first complying with this section is guilty of a class 2
32 misdemeanor.

33 H. ~~As-used-in~~ FOR THE PURPOSES OF this section, AN owner WHO IS
34 engaged in the business of renting or who intends to rent a motor vehicle
35 without a driver does not include a person who operates a golf course that
36 rents golf carts that are intended to be used primarily for playing a round
37 of golf and that are only incidentally operated or moved on a highway.

38 I. ~~As-used-in~~ FOR THE PURPOSES OF this section, "renter" includes any
39 person operating a motor vehicle with permission of the person who has rented
40 it.