

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

# SENATE BILL 1357

AN ACT

AMENDING SECTIONS 28-101, 28-370, 28-453, 28-2008, 28-2009, 28-2011, 28-2012, 28-2013, 28-2051, 28-2052, 28-2053, 29-2055, 28-2058, 28-2059, 28-2060, 28-2061, 28-2063, 28-2064, 28-2065, 28-2091, 28-2094, 28-2095, 28-2097, 28-2131, 28-2132, 28-2133, 28-2134, 28-2135, 28-2136, 28-2137, 28-2162, 28-2165, 28-3511, 28-3512, 28-3514, 28-4335, 28-4361, 28-4403, 28-4409, 28-4410, 28-4412, 28-4421, 28-4423, 28-4533, 28-4547, 28-4594, 28-5101, 28-5111 AND 47-9311, ARIZONA REVISED STATUTES; RELATING TO VEHICLE TITLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-101, Arizona Revised Statutes, is amended to  
3 read:  
4 28-101. Definitions  
5 In this title, unless the context otherwise requires:  
6 1. "Alcohol" means any substance containing any form of alcohol,  
7 including ethanol, methanol, propynol and isopropynol.  
8 2. "Alcohol concentration" if expressed as a percentage means either:  
9 (a) The number of grams of alcohol per one hundred milliliters of  
10 blood.  
11 (b) The number of grams of alcohol per two hundred ten liters of  
12 breath.  
13 3. "All-terrain vehicle" means either of the following:  
14 (a) A motor vehicle that satisfies all of the following:  
15 (i) Is designed primarily for recreational nonhighway all-terrain  
16 travel.  
17 (ii) Is fifty or fewer inches in width.  
18 (iii) Has an unladen weight of one thousand two hundred pounds or  
19 less.  
20 (iv) Travels on three or more nonhighway tires.  
21 (v) Is operated on a public highway.  
22 (b) A recreational off-highway vehicle that satisfies all of the  
23 following:  
24 (i) Is designed primarily for recreational nonhighway all-terrain  
25 travel.  
26 (ii) Is sixty-five or fewer inches in width.  
27 (iii) Has an unladen weight of one thousand eight hundred pounds or  
28 less.  
29 (iv) Travels on four or more nonhighway tires.  
30 4. "Authorized emergency vehicle" means any of the following:  
31 (a) A fire department vehicle.  
32 (b) A police vehicle.  
33 (c) An ambulance or emergency vehicle of a municipal department or  
34 public service corporation that is designated or authorized by the department  
35 or a local authority.  
36 (d) Any other ambulance, fire truck or rescue vehicle that is  
37 authorized by the department in its sole discretion and that meets liability  
38 insurance requirements prescribed by the department.  
39 5. "Autocycle" means a three-wheeled motorcycle on which the driver  
40 and passengers ride in a completely enclosed seating area that is equipped  
41 with a roll cage, safety belts for each occupant and antilock brakes and that  
42 is designed to be controlled with a steering wheel and pedals.  
43 6. "Aviation fuel" means all flammable liquids composed of a mixture  
44 of selected hydrocarbons expressly manufactured and blended for the purpose  
45 of effectively and efficiently operating an internal combustion engine for

- 1 use in an aircraft but does not include fuel for jet or turbine powered  
2 aircraft.
- 3 7. "Bicycle" means a device, including a racing wheelchair, that is  
4 propelled by human power and on which a person may ride and that has either:  
5 (a) Two tandem wheels, either of which is more than sixteen inches in  
6 diameter.  
7 (b) Three wheels in contact with the ground, any of which is more than  
8 sixteen inches in diameter.
- 9 8. "Board" means the transportation board.
- 10 9. "Bus" means a motor vehicle designed for carrying sixteen or more  
11 passengers, including the driver.
- 12 10. "Business district" means the territory contiguous to and  
13 including a highway if there are buildings in use for business or industrial  
14 purposes within any six hundred feet along the highway, including hotels,  
15 banks or office buildings, railroad stations and public buildings that occupy  
16 at least three hundred feet of frontage on one side or three hundred feet  
17 collectively on both sides of the highway.
- 18 11. "CERTIFICATE OF OWNERSHIP" MEANS A PAPER OR AN ELECTRONIC RECORD  
19 THAT IS ISSUED IN ANOTHER STATE OR A FOREIGN JURISDICTION AND THAT INDICATES  
20 OWNERSHIP OF A VEHICLE.
- 21 12. "CERTIFICATE OF TITLE" MEANS A PAPER DOCUMENT OR AN ELECTRONIC  
22 RECORD THAT IS ISSUED BY THE DEPARTMENT AND THAT INDICATES OWNERSHIP OF A  
23 VEHICLE.
- 24 ~~11-~~ 13. "Combination of vehicles" means a truck or truck tractor and  
25 semitrailer and any trailer that it tows but does not include a forklift  
26 designed for the purpose of loading or unloading the truck, trailer or  
27 semitrailer.
- 28 ~~12-~~ 14. "Controlled substance" means a substance so classified under  
29 section 102(6) of the controlled substances act (21 United States Code  
30 section 802(6)) and includes all substances listed in schedules I through V  
31 of 21 Code of Federal Regulations part 1308.
- 32 ~~13-~~ 15. "Conviction" means:  
33 (a) An unvacated adjudication of guilt or a determination that a  
34 person violated or failed to comply with the law in a court of original  
35 jurisdiction or by an authorized administrative tribunal.  
36 (b) An unvacated forfeiture of bail or collateral deposited to secure  
37 the person's appearance in court.  
38 (c) A plea of guilty or no contest accepted by the court.  
39 (d) The payment of a fine or court costs.
- 40 ~~14-~~ 16. "County highway" means a public road that is constructed and  
41 maintained by a county.
- 42 ~~15-~~ 17. "Dealer" means a person who is engaged in the business of  
43 buying, selling or exchanging motor vehicles, trailers or semitrailers and  
44 who has an established place of business.

1           ~~16-~~ 18. "Department" means the department of transportation acting  
2 directly or through its duly authorized officers and agents.  
3           ~~17-~~ 19. "Digital network or software application" has the same  
4 meaning prescribed in section 28-9551.  
5           ~~18-~~ 20. "Director" means the director of the department of  
6 transportation.  
7           ~~19-~~ 21. "Drive" means to operate or be in actual physical control of  
8 a motor vehicle.  
9           ~~20-~~ 22. "Driver" means a person who drives or is in actual physical  
10 control of a vehicle.  
11           ~~21-~~ 23. "Driver license" means a license that is issued by a state to  
12 an individual and that authorizes the individual to drive a motor vehicle.  
13           ~~22-~~ 24. "Electric personal assistive mobility device" means a  
14 self-balancing two nontandem wheeled device with an electric propulsion  
15 system that limits the maximum speed of the device to fifteen miles per hour  
16 or less and that is designed to transport only one person.  
17           ~~23-~~ 25. "Farm" means any lands primarily used for agriculture  
18 production.  
19           ~~24-~~ 26. "Farm tractor" means a motor vehicle designed and used  
20 primarily as a farm implement for drawing implements of husbandry.  
21           ~~25-~~ 27. "Foreign vehicle" means a motor vehicle, trailer or  
22 semitrailer that is brought into this state other than in the ordinary course  
23 of business by or through a manufacturer or dealer and that has not been  
24 registered in this state.  
25           ~~26-~~ 28. "Golf cart" means a motor vehicle that has not less than  
26 three wheels in contact with the ground, that has an unladen weight of less  
27 than one thousand eight hundred pounds, that is designed to be and is  
28 operated at not more than twenty-five miles per hour and that is designed to  
29 carry not more than four persons including the driver.  
30           ~~27-~~ 29. "Hazardous material" means a material, and its mixtures or  
31 solutions, that the United States department of transportation determines  
32 under 49 Code of Federal Regulations is, or any quantity of a material listed  
33 as a select agent or toxin under 42 Code of Federal Regulations part 73 that  
34 is, capable of posing an unreasonable risk to health, safety and property if  
35 transported in commerce and that is required to be placarded or marked as  
36 required by the department's safety rules prescribed pursuant to chapter 14  
37 of this title.  
38           ~~28-~~ 30. "Implement of husbandry" means a vehicle designed primarily  
39 for agricultural purposes and used exclusively in the conduct of agricultural  
40 operations, including an implement or vehicle whether self-propelled or  
41 otherwise that meets both of the following conditions:  
42           (a) Is used solely for agricultural purposes including the preparation  
43 or harvesting of cotton, alfalfa, grains and other farm crops.  
44           (b) Is only incidentally operated or moved on a highway whether as a  
45 trailer or self-propelled unit. For the purposes of this subdivision,

1 "incidentally operated or moved on a highway" means travel between a farm and  
2 another part of the same farm, from one farm to another farm or between a  
3 farm and a place of repair, supply or storage.

4 ~~29-~~ 31. "Limousine" means a motor vehicle providing prearranged  
5 ground transportation service for an individual passenger, or a group of  
6 passengers, that is arranged in advance or is operated on a regular route or  
7 between specified points and includes ground transportation under a contract  
8 or agreement for services that includes a fixed rate or time and is provided  
9 in a motor vehicle with a seating capacity not exceeding fifteen passengers  
10 including the driver.

11 ~~30-~~ 32. "Livery vehicle" means a motor vehicle that:

12 (a) Has a seating capacity not exceeding fifteen passengers including  
13 the driver.

14 (b) Provides passenger services for a fare determined by a flat rate  
15 or flat hourly rate between geographic zones or within a geographic area.

16 (c) Is available for hire on an exclusive or shared ride basis.

17 (d) May do any of the following:

18 (i) Operate on a regular route or between specified places.

19 (ii) Offer prearranged ground transportation service as defined in  
20 section 28-141.

21 (iii) Offer on demand ground transportation service pursuant to a  
22 contract with a public airport, licensed business entity or organization.

23 ~~31-~~ 33. "Local authority" means any county, municipal or other local  
24 board or body exercising jurisdiction over highways under the constitution  
25 and laws of this state.

26 ~~32-~~ 34. "Manufacturer" means a person engaged in the business of  
27 manufacturing motor vehicles, trailers or semitrailers.

28 ~~33-~~ 35. "Moped" means a bicycle that is equipped with a helper motor  
29 if the vehicle has a maximum piston displacement of fifty cubic centimeters  
30 or less, a brake horsepower of one and one-half or less and a maximum speed  
31 of twenty-five miles per hour or less on a flat surface with less than a one  
32 percent grade.

33 ~~34-~~ 36. "Motor driven cycle" means a motorcycle, including every  
34 motor scooter, with a motor that produces not more than five horsepower.

35 ~~35-~~ 37. "Motor vehicle":

36 (a) Means either:

37 (i) A self-propelled vehicle.

38 (ii) For the purposes of the laws relating to the imposition of a tax  
39 on motor vehicle fuel, a vehicle that is operated on the highways of this  
40 state and that is propelled by the use of motor vehicle fuel.

41 (b) Does not include a motorized wheelchair, an electric personal  
42 assistive mobility device or a motorized skateboard. For the purposes of  
43 this subdivision:

1 (i) "Motorized skateboard" means a self-propelled device that has a  
2 motor, a deck on which a person may ride and at least two tandem wheels in  
3 contact with the ground.

4 (ii) "Motorized wheelchair" means a self-propelled wheelchair that is  
5 used by a person for mobility.

6 ~~36-~~ 38. "Motor vehicle fuel" includes all products that are commonly  
7 or commercially known or sold as gasoline, including casinghead gasoline,  
8 natural gasoline and all flammable liquids, and that are composed of a  
9 mixture of selected hydrocarbons expressly manufactured and blended for the  
10 purpose of effectively and efficiently operating internal combustion engines.  
11 Motor vehicle fuel does not include inflammable liquids that are specifically  
12 manufactured for racing motor vehicles and that are distributed for and used  
13 by racing motor vehicles at a racetrack, use fuel as defined in section  
14 28-5601, aviation fuel, fuel for jet or turbine powered aircraft or the  
15 mixture created at the interface of two different substances being  
16 transported through a pipeline, commonly known as transmix.

17 ~~37-~~ 39. "Motorcycle" means a motor vehicle that has a seat or saddle  
18 for the use of the rider and that is designed to travel on not more than  
19 three wheels in contact with the ground but excludes a tractor and a moped.

20 ~~38-~~ 40. "Motorized quadricycle" means a self-propelled motor vehicle  
21 to which all of the following apply:

22 (a) The vehicle is self-propelled by an emission-free electric motor  
23 and may include pedals operated by the passengers.

24 (b) The vehicle has at least four wheels in contact with the ground.

25 (c) The vehicle seats at least eight passengers, including the driver.

26 (d) The vehicle is operable on a flat surface using solely the  
27 electric motor without assistance from the pedals or passengers.

28 (e) The vehicle is a commercial motor vehicle as defined in section  
29 28-5201.

30 (f) The vehicle is licensed by the department ~~of weights and measures~~  
31 to operate as a limousine pursuant to section 28-9503.

32 (g) The vehicle is manufactured by a motor vehicle manufacturer that  
33 is licensed pursuant to chapter 10 of this title.

34 (h) The vehicle complies with the definition and standards for  
35 low-speed vehicles set forth in federal motor vehicle safety standard 500 and  
36 49 Code of Federal Regulations ~~section~~ SECTIONS 571.3(b) and 571.500,  
37 respectively.

38 ~~39-~~ 41. "Neighborhood electric vehicle" means a self-propelled  
39 electrically powered motor vehicle to which all of the following apply:

40 (a) The vehicle is emission free.

41 (b) The vehicle has at least four wheels in contact with the ground.

42 (c) The vehicle complies with the definition and standards for low  
43 speed vehicles set forth in federal motor vehicle safety standard 500 and 49  
44 Code of Federal Regulations sections 571.3(b) and 571.500, respectively.

1           ~~40.~~ 42. "Nonresident" means a person who is not a resident of this  
2 state as defined in section 28-2001.

3           ~~41.~~ 43. "Off-road recreational motor vehicle" means a motor vehicle  
4 that is designed primarily for recreational nonhighway all-terrain travel and  
5 that is not operated on a public highway. Off-road recreational motor  
6 vehicle does not mean a motor vehicle used for construction, building trade,  
7 mining or agricultural purposes.

8           ~~42.~~ 44. "Operator" means a person who drives a motor vehicle on a  
9 highway, who is in actual physical control of a motor vehicle on a highway or  
10 who is exercising control over or steering a vehicle being towed by a motor  
11 vehicle.

12           ~~43.~~ 45. "Owner" means:  
13           (a) A person who holds the legal title of a vehicle.  
14           (b) If a vehicle is the subject of an agreement for the conditional  
15 sale or lease with the right of purchase on performance of the conditions  
16 stated in the agreement and with an immediate right of possession vested in  
17 the conditional vendee or lessee, the conditional vendee or lessee.  
18           (c) If a mortgagor of a vehicle is entitled to possession of the  
19 vehicle, the mortgagor.

20           ~~44.~~ 46. "Pedestrian" means any person afoot. A person who uses an  
21 electric personal assistive mobility device or a manual or motorized  
22 wheelchair is considered a pedestrian unless the manual wheelchair qualifies  
23 as a bicycle. For the purposes of this paragraph, "motorized wheelchair"  
24 means a self-propelled wheelchair that is used by a person for mobility.

25           ~~45.~~ 47. "Power sweeper" means an implement, with or without motive  
26 power, that is only incidentally operated or moved on a street or highway and  
27 that is designed for the removal of debris, dirt, gravel, litter or sand  
28 whether by broom, vacuum or regenerative air system from asphaltic concrete  
29 or cement concrete surfaces, including parking lots, highways, streets and  
30 warehouses, and a vehicle on which the implement is permanently mounted.

31           ~~46.~~ 48. "Public transit" means the transportation of passengers on  
32 scheduled routes by means of a conveyance on an individual passenger  
33 fare-paying basis excluding transportation by a sightseeing bus, school bus  
34 or taxi or a vehicle not operated on a scheduled route basis.

35           ~~47.~~ 49. "Reconstructed vehicle" means a vehicle that has been  
36 assembled or constructed largely by means of essential parts, new or used,  
37 derived from vehicles or makes of vehicles of various names, models and types  
38 or that, if originally otherwise constructed, has been materially altered by  
39 the removal of essential parts or by the addition or substitution of  
40 essential parts, new or used, derived from other vehicles or makes of  
41 vehicles. For the purposes of this paragraph, "essential parts" means  
42 integral and body parts, the removal, alteration or substitution of which  
43 will tend to conceal the identity or substantially alter the appearance of  
44 the vehicle.

1           ~~48.~~ 50. "Residence district" means the territory contiguous to and  
2 including a highway not comprising a business district if the property on the  
3 highway for a distance of three hundred feet or more is in the main improved  
4 with residences or residences and buildings in use for business.

5           ~~49.~~ 51. "Right-of-way" when used within the context of the regulation  
6 of the movement of traffic on a highway means the privilege of the immediate  
7 use of the highway. Right-of-way when used within the context of the real  
8 property on which transportation facilities and appurtenances to the  
9 facilities are constructed or maintained means the lands or interest in lands  
10 within the right-of-way boundaries.

11           ~~50.~~ 52. "School bus" means a motor vehicle that is designed for  
12 carrying more than ten passengers and that is either:

13           (a) Owned by any public or governmental agency or other institution  
14 and operated for the transportation of children to or from home or school on  
15 a regularly scheduled basis.

16           (b) Privately owned and operated for compensation for the  
17 transportation of children to or from home or school on a regularly scheduled  
18 basis.

19           ~~51.~~ 53. "Semitrailer" means a vehicle that is with or without motive  
20 power, other than a pole trailer, that is designed for carrying persons or  
21 property and for being drawn by a motor vehicle and that is constructed so  
22 that some part of its weight and that of its load rests on or is carried by  
23 another vehicle. For the purposes of this paragraph, "pole trailer" has the  
24 same meaning prescribed in section 28-601.

25           ~~52.~~ 54. "State" means a state of the United States and the District  
26 of Columbia.

27           ~~53.~~ 55. "State highway" means a state route or portion of a state  
28 route that is accepted and designated by the board as a state highway and  
29 that is maintained by the state.

30           ~~54.~~ 56. "State route" means a right-of-way whether actually used as a  
31 highway or not that is designated by the board as a location for the  
32 construction of a state highway.

33           ~~55.~~ 57. "Street" or "highway" means the entire width between the  
34 boundary lines of every way if a part of the way is open to the use of the  
35 public for purposes of vehicular travel.

36           ~~56.~~ 58. "Taxi" means a motor vehicle that has a seating capacity not  
37 exceeding fifteen passengers, including the driver, that is registered as a  
38 taxi in this state or any other state, that provides passenger services and  
39 that:

40           (a) Does not primarily operate on a regular route or between specified  
41 places.

42           (b) Offers local transportation for a fare determined on the basis of  
43 the distance traveled or prearranged ground transportation service as defined  
44 in section 28-141 for a predetermined fare.





1 without a fee, in any matter connected with the administration of a law the  
2 enforcement of which is vested in the director.

3 B. Notwithstanding title 14, chapter 5, article 5:

4 1. The director or an officer, agent or employee of the department  
5 designated by the director may witness a power of attorney to be used solely  
6 in the performance of vehicle title and registration activities.

7 2. For the purposes of executing a power of attorney in the  
8 performance of vehicle title and registration activities, the power of  
9 attorney is not required to be:

10 (a) Notarized if it is witnessed by the director or an officer, agent  
11 or employee of the department designated by the director.

12 (b) NOTARIZED IF IT IS INVOLVING A TOTAL LOSS VEHICLE SETTLEMENT AND  
13 AN INSURANCE COMPANY THAT IS LICENSED PURSUANT TO TITLE 20 SUBMITS IT  
14 ELECTRONICALLY TO THE DEPARTMENT IN A MANNER APPROVED BY THE DIRECTOR.

15 ~~(b)~~ (c) Witnessed if it is notarized.

16 C. For the purposes of this section, "agent" includes a motor vehicle  
17 dealer, ~~a title service company or any other~~ OR A third party authorized  
18 pursuant to this title.

19 Sec. 3. Section 28-453, Arizona Revised Statutes, is amended to read:

20 28-453. Electronic transfer of information

21 The department may accept electronic communication, transfer or receipt  
22 of any abstract, affidavit, application information, copy, form, order,  
23 report, record or other information prescribed in this title ~~in accordance~~  
24 ~~with rules adopted by the director.~~

25 Sec. 4. Section 28-2008, Arizona Revised Statutes, is amended to read:

26 28-2008. Duplicate certificate of title, permit, registration  
27 card or license plates

28 A. If a ~~certificate of title,~~ permit, registration card or license  
29 plate is lost or mutilated or becomes illegible, the person entitled to the  
30 ~~certificate,~~ permit, card or plate shall immediately apply for and obtain a  
31 duplicate or substitute ~~certificate,~~ permit, card or plate by furnishing  
32 information satisfactory to the department.

33 B. IF A PAPER CERTIFICATE OF TITLE IS LOST OR MUTILATED OR BECOMES  
34 ILLEGIBLE, THE PERSON ENTITLED TO THE CERTIFICATE OF TITLE MAY APPLY FOR A  
35 DUPLICATE OR SUBSTITUTE CERTIFICATE OF TITLE BY FURNISHING INFORMATION  
36 SATISFACTORY TO THE DEPARTMENT. THE DEPARTMENT MAY IMPLEMENT PROCEDURES  
37 RELATED TO THE ISSUANCE OF A DUPLICATE PAPER CERTIFICATE OF TITLE.

38 Sec. 5. Section 28-2009, Arizona Revised Statutes, is amended to read:

39 28-2009. Certificate of title; validity

40 The certificate of title is valid for the life of the vehicle as long  
41 as the vehicle is owned by the original holder of the title, unless it has  
42 been replaced ~~by a duplicate certificate of title~~ pursuant to section  
43 28-2008.



1 and may sell, transfer or otherwise dispose of all property seized and  
2 forfeited to the state, or otherwise awarded to the department, as a result  
3 of any investigation.

4 B. The department shall deposit, pursuant to sections 35-146 and  
5 35-147, any proceeds resulting from subsection A of this section, except an  
6 investigation or prosecution conducted pursuant to article 3 of this chapter,  
7 in the vehicle inspection and **CERTIFICATE OF** title enforcement fund  
8 established by section 28-2012.

9 Sec. 9. Section 28-2051, Arizona Revised Statutes, is amended to read:

10 **28-2051. Application for certificate of title: vision screening**  
11 **test**

12 A. A person shall apply to the department on a form prescribed or  
13 authorized by the department for a certificate of title to a motor vehicle,  
14 trailer or semitrailer. The person shall make the application within fifteen  
15 days after the purchase or transfer of the vehicle, trailer or semitrailer  
16 except that a licensed motor vehicle dealer shall make the application within  
17 thirty days after the purchase or transfer. All transferees shall sign the  
18 application, except that one transferee may sign the application if both of  
19 the following apply:

20 1. The application is for the purposes of converting an out-of-state  
21 certificate of title to a certificate of title issued pursuant to this  
22 article.

23 2. The ownership or legal status of the motor vehicle, trailer or  
24 semitrailer does not change.

25 B. The application shall contain:

26 1. The transferee's full name and either the driver license number of  
27 the transferee or a number assigned by the department.

28 2. The transferee's complete residence address.

29 3. A brief description of the vehicle to be ~~titled~~ **ISSUED A**  
30 **CERTIFICATE OF TITLE**.

31 4. The name of the manufacturer of the vehicle.

32 5. The serial number of the vehicle.

33 6. The last license plate number if applicable and if known and the  
34 state in which the license plate number was issued.

35 7. If the application is for a certificate of title to a new vehicle,  
36 the date of sale by the manufacturer or dealer to the person first operating  
37 the vehicle.

38 8. If the application is in the name of a lessor:

39 (a) The lessor shown on the application as the owner or transferee.

40 (b) At the option of the lessor, the lessee shown on the application  
41 as the registrant.

42 (c) The address of either the lessor or lessee.

43 (d) The signature of the lessor.

44 9. If the application is for a certificate of title to a specially  
45 constructed, reconstructed or foreign vehicle, a statement of that fact. For

1 the purposes of this paragraph, "specially constructed vehicle" means a  
2 vehicle not originally constructed under a distinctive name, make, model or  
3 type by a generally recognized manufacturer of vehicles.

4 10. If an applicant rents or intends to rent the vehicle without a  
5 driver, a statement of that fact.

6 11. Other information required by the department.

7 C. Unless subsection B, paragraph 8 of this section applies, on  
8 request of an applicant, the department shall allow the applicant to provide  
9 on the **CERTIFICATE OF** title of a motor vehicle, trailer or semitrailer a post  
10 office box address that is regularly used by the applicant.

11 D. A person shall submit the following information with an application  
12 for a certificate of title:

13 1. To a vehicle previously registered:

14 (a) The odometer mileage disclosure statement prescribed by section  
15 28-2058.

16 (b) If the applicant is applying for **A CERTIFICATE OF** title pursuant  
17 to section 28-2060, the applicant's statement of the odometer reading as of  
18 the date of application.

19 2. To a new vehicle:

20 (a) A **MANUFACTURER'S** certificate ~~or electronic title from the~~  
21 ~~manufacturer~~ **OF ORIGIN** showing the date of sale to the dealer or person first  
22 receiving the vehicle from the manufacturer. Before the department issues a  
23 certificate of title to a new vehicle, a **MANUFACTURER'S** certificate ~~or~~  
24 ~~electronic title from the manufacturer~~ **OF ORIGIN** shall be surrendered to the  
25 department.

26 (b) The name of the dealer or person.

27 (c) A description sufficient to identify the vehicle.

28 (d) A statement certifying that the vehicle was new when sold.

29 (e) If sold through a dealer, a statement by the dealer certifying  
30 that the vehicle was new when sold to the applicant.

31 E. The department may request that an applicant who appears in person  
32 for a certificate of title of a motor vehicle, trailer or semitrailer  
33 satisfactorily complete the vision screening test prescribed by the  
34 department.

35 Sec. 10. Section 28-2052, Arizona Revised Statutes, is amended to  
36 read:

37 **28-2052. Title and registration of foreign vehicles**

38 A. Except as provided in subsection E of this section, the owner of a  
39 foreign vehicle that has been registered in another state or country and for  
40 which an application for a certificate of title is made shall surrender to  
41 the department the license plates assigned to the vehicle, the registration  
42 card, ~~the certificate of title~~, the certificate of ownership or other  
43 evidence of foreign registration and satisfactory evidence of ownership  
44 showing that the applicant is the lawful owner or possessor of the vehicle.

1 B. If in the course of interstate operation of a vehicle registered in  
2 another state or country it is desirable to retain registration of the  
3 vehicle in the other state or country, the applicant need not follow the  
4 requirements of subsection A of this section but shall submit evidence of the  
5 foreign registration and ownership for inspection. The department shall  
6 register the vehicle on a proper showing of evidence of registration but  
7 shall not issue a certificate of title for the vehicle.

8 C. The department ~~shall~~ MAY inspect a foreign vehicle before ~~titling~~  
9 ISSUING A CERTIFICATE OF TITLE or BEFORE registration, including examination  
10 and inspection to establish compliance with section 28-955, under conditions  
11 and standards as required by the director of environmental quality. The  
12 department may establish procedures to accept vehicle inspections completed  
13 in another state.

14 D. Before the department issues a certificate of title to a vehicle  
15 imported into this country, the owner shall obtain a certificate of  
16 compliance that states that the vehicle meets all federal vehicle equipment  
17 and emissions equipment requirements. This subsection does not apply to a  
18 golf cart manufactured or modified before June 17, 1998 or neighborhood  
19 electric vehicle manufactured or modified before June 17, 1998.

20 E. The department may establish procedures to accept evidence that the  
21 certificate of title or certificate of ownership has been voided or destroyed  
22 by another state.

23 Sec. 11. Section 28-2053, Arizona Revised Statutes, is amended to  
24 read:

25 28-2053. Certificate of title without registration

26 A. The department may ONLY issue a vehicle certificate of title  
27 without registration FOR A VEHICLE THAT IS PHYSICALLY PRESENT IN THIS STATE  
28 for any of the following reasons:

29 1. The applicant for a certificate of title is a nonresident whose  
30 vehicle is not subject to vehicle registration in this state.

31 ~~2. The owner will register the vehicle under article 7 or 8 of this~~  
32 ~~chapter.~~

33 ~~3.~~ 2. The applicant certifies that the vehicle was acquired for  
34 purposes other than highway use.

35 ~~4.~~ 3. The vehicle was acquired by operation of law.

36 ~~5.~~ 4. The vehicle is an off-road recreational motor vehicle required  
37 to be ~~titled~~ ISSUED A CERTIFICATE OF TITLE pursuant to section 28-2061.

38 B. THE DEPARTMENT SHALL ISSUE A CERTIFICATE OF TITLE WITHOUT  
39 REGISTRATION FOR EITHER OF THE FOLLOWING REASONS:

40 1. THE OWNER WILL REGISTER THE VEHICLE UNDER ARTICLE 7 OR 8 OF THIS  
41 CHAPTER.

42 2. THE VEHICLE IS A TRAILER OR SEMITRAILER THAT WILL BE USED IN  
43 INTERSTATE COMMERCE AND THAT IS REGISTERED IN ANOTHER STATE.



1 destruction within thirty days after the owner transfers or assigns the  
2 owner's title or interest in the vehicle.

3 (d) Except as provided in section 28-2091, the acquiring owner shall  
4 apply for registration or A CERTIFICATE OF title, or both, within fifteen  
5 days after the relinquishing owner transfers or assigns the relinquishing  
6 owner's title or interest in the vehicle. The director may prorate the  
7 registration period as the director deems necessary to coincide with  
8 emissions inspection requirements.

9 (e) Except if the acquiring owner is an insurer who acquires the  
10 vehicle pursuant to a claim settlement, the acquiring owner shall display on  
11 the vehicle a temporary registration plate, another permit or a valid license  
12 plate as prescribed by the department until ownership of the vehicle is  
13 transferred in the department's records.

14 2. Regardless of whether or not the vehicle is registered:

15 (a) Except as provided in subsection B of this section, the owner  
16 shall deliver to the purchaser or transferee an odometer mileage disclosure  
17 statement in a form prescribed by the director.

18 (b) Except as provided in sections 28-2051, 28-2060 and 28-2091, the  
19 purchaser or transferee shall present the certificate of title OR TITLE  
20 TRANSFER FORM to the department with the required fee within fifteen days  
21 after the transfer and:

22 (i) ~~Except as provided in section 28-2064,~~ The department shall issue  
23 a new certificate of title.

24 (ii) If required, the purchaser or transferee shall apply for and  
25 obtain registration, and the department shall issue new license plates to the  
26 purchaser or transferee.

27 B. The odometer disclosure requirement of subsection A of this section  
28 does not apply to:

29 1. A motor vehicle that is ten model years of age or older.

30 2. A motor vehicle that has a gross vehicle weight rating of sixteen  
31 thousand pounds or more.

32 3. A vehicle that is not self-propelled.

33 4. A motor vehicle that is sold directly by the manufacturer to an  
34 agency of the United States in conformity with contractual specifications.

35 5. A new motor vehicle that is purchased for resale and not for use by  
36 the purchaser.

37 Sec. 14. Section 28-2059, Arizona Revised Statutes, is amended to  
38 read:

39 28-2059. Obtaining a certificate of title; revocation

40 A. If satisfactory proof of ownership is furnished to the director,  
41 the director may issue a certificate of title for a motor vehicle, trailer or  
42 semitrailer whether or not a certificate of title has ever been issued for  
43 that motor vehicle, trailer or semitrailer.



1 B. If the director determines that an applicant for a certificate of  
2 title to a motor vehicle, trailer or semitrailer is not entitled to a  
3 certificate of title, the director may refuse to issue a certificate OF TITLE  
4 or to register the vehicle. ~~and~~. After notice and a hearing, the director may  
5 revoke a registration already acquired or an outstanding certificate of  
6 title. The director shall serve the notice in person or by ~~regular~~ FIRST  
7 CLASS mail. Within fifteen days after the date the notice is delivered or  
8 mailed, the applicant may request a hearing.

9 Sec. 15. Section 28-2060, Arizona Revised Statutes, is amended to  
10 read:

11 28-2060. Transfer of ownership by operation of law

12 A. Except as provided in subsection F of this section, when the title  
13 or interest of an owner of a registered vehicle passes to another other than  
14 by voluntary transfer, the transferee shall obtain a transfer of registration  
15 within thirty days after the passing of the title or interest.

16 B. Within thirty days after passing of the title or interest of an  
17 owner of a registered or unregistered vehicle, the transferee of the vehicle  
18 shall obtain a new certificate of title on proper application and  
19 presentation of the last certificate of title, if available, and such  
20 instruments or documents of authority or certified copies of the instruments  
21 or documents that are sufficient or required by law to evidence or effect a  
22 transfer of title or interest in or to chattels that pass to another other  
23 than by voluntary transfer.

24 C. If a motor vehicle has been forfeited to the federal government and  
25 is sold at public auction pursuant to federal law, the purchaser at the sale  
26 takes title free of any liens or encumbrances if federal law so provides. If  
27 a motor vehicle has been forfeited to any local or state government entity,  
28 agency or political subdivision or to any federal law enforcement agency  
29 after the disposition of all claims under the laws of this state, the order  
30 of the court forfeiting the vehicle shall transfer good and sufficient title  
31 to the transferee and to any subsequent purchaser or transferee. The  
32 purchaser or transferee shall register the motor vehicle within thirty days  
33 after the sale or transfer, and the department shall issue a certificate of  
34 title to the purchaser or transferee on presentation of the evidence of title  
35 without any reference to liens or encumbrances.

36 D. The transferee of a vehicle required to ~~be-titled~~ HAVE A  
37 CERTIFICATE OF TITLE and BE registered under section 28-2153 or a mobile home  
38 required to ~~be-titled~~ HAVE A CERTIFICATE OF TITLE under section 28-2063 may  
39 obtain a transfer of registration to the transferee and a new certificate of  
40 title if both of the following occur:

41 1. The title or interest of the owner of the vehicle passes to another  
42 either:

1 (a) Through notice and sale under the conditions contained in any  
2 security agreement, chattel mortgage, conditional sale or other evidence of  
3 lien or under the authority given by statute in cases arising under sections  
4 33-1021 and 33-1022 or under section 33-1704.

5 (b) For a mobile home the lien on which is also a lien on real  
6 property, through a contract for conveyance of real property, deed of trust  
7 or mortgage.

8 2. Satisfactory evidence is presented to the director that the sale of  
9 the vehicle was fairly and lawfully conducted in conformity with all  
10 requirements of law after due notice to the former owner. In cases arising  
11 under section 33-1704, a declaration that is signed by both the seller and  
12 the buyer and that sets forth compliance with section 33-1704 constitutes  
13 satisfactory evidence, and the director may rely on that declaration.

14 E. Any administrator, executor, trustee or other representative of the  
15 owner, a peace officer or a person repossessing a vehicle under the terms of  
16 any conditional sales contract, lease, chattel mortgage or other security  
17 agreement or a purchaser at a sale foreclosing a lien, or the assignee or  
18 legal representative of any such person, may operate a vehicle from the place  
19 of repossession or place where it was formerly kept to a garage or place of  
20 storage in the county or state where the contract was recorded or where the  
21 person repossessing the vehicle resides or to any other garage or place of  
22 storage that is not more than seventy-five miles from the place of  
23 repossession or place where the vehicle was formerly kept by the owner if  
24 either of the following conditions exists:

25 1. The license plates assigned to the vehicle are displayed on the  
26 vehicle.

27 2. If license plates are not displayed, a written permit has been  
28 obtained from the department or the local authorities having jurisdiction  
29 over the highways and a placard that bears the name and address of the person  
30 authorizing the movement and that is legible from a distance of one hundred  
31 feet during daylight is displayed in plain sight on the vehicle.

32 F. If ownership of a motor vehicle ~~titled~~ FOR WHICH A CERTIFICATE OF  
33 TITLE HAS BEEN ISSUED in this state or another state reverts through  
34 operation of state law to a lienholder of record through repossession  
35 pursuant to the terms of a security agreement or through another similar  
36 instrument that is valid in such state, an affidavit by the lienholder of  
37 record stating that the vehicle was repossessed on default of the terms  
38 stated in the security agreement or similar instrument is proof of ownership,  
39 right of possession and right of transfer. IF THE LIENHOLDER OF RECORD IS A  
40 FINANCIAL INSTITUTION AS DEFINED IN SECTION 28-4301, THE LIENHOLDER OF RECORD  
41 SHALL ELECTRONICALLY SUBMIT THE REPOSSESSION AFFIDAVIT TO THE DEPARTMENT.  
42 The director shall prescribe the form and content of the affidavit. This  
43 state and its agencies, employees and agents are not liable for relying in  
44 good faith on the content of the affidavit.

1           Sec. 16. Section 28-2061, Arizona Revised Statutes, is amended to  
2 read:

3           28-2061. All-terrain vehicles; off-highway vehicles; off-road  
4                   recreational motor vehicles; certificates of title;  
5                   exemption

6           A. On the retail sale of a new all-terrain vehicle, off-highway  
7 vehicle as defined in section 28-1171 or off-road recreational motor vehicle,  
8 the dealer or person first receiving the motor vehicle from the manufacturer  
9 shall apply, on behalf of the purchaser, to the department for a certificate  
10 of title to the motor vehicle in the name of the purchaser. If satisfied  
11 that the application is genuine and regular and that the applicant is  
12 entitled to a certificate OF TITLE, the department shall issue a certificate  
13 of title to the motor vehicle without requiring registration for the motor  
14 vehicle.

15           B. A person who owns an all-terrain vehicle, off-highway vehicle as  
16 defined in section 28-1171 or off-road recreational motor vehicle shall apply  
17 for and obtain a certificate of title required by this section in the manner  
18 prescribed in this chapter ~~on or before July 1, 2009~~. On the transfer of  
19 ownership of an all-terrain vehicle, off-highway vehicle as defined in  
20 section 28-1171 or off-road recreational motor vehicle for which a  
21 certificate of title is required by this section, a person shall apply for  
22 and obtain a new certificate OF TITLE in the manner prescribed in this  
23 chapter.

24           C. A person participating in an off-highway vehicle special event as  
25 defined in section 28-1171 is exempt from the requirements of this section.

26           Sec. 17. Section 28-2063, Arizona Revised Statutes, is amended to  
27 read:

28           28-2063. Mobile home certificate of title; exceptions; fee

29           A. THE DEPARTMENT SHALL ISSUE A CERTIFICATE OF TITLE FOR a mobile home  
30 that is customarily kept in this state ~~shall be titled with the department~~  
31 and the fee required under section 28-2003 shall be paid except for:

32           1. A mobile home that is owned and held by a dealer solely for  
33 purposes of sale.

34           2. A mobile home that is owned and operated exclusively in the public  
35 service by the United States, by this state or by any political subdivision  
36 of this state, except that it shall ~~be titled~~ HAVE A CERTIFICATE OF TITLE.

37           3. A mobile home that is permanently affixed, as defined in section  
38 ~~33-1501 or~~ 42-15201, and for which an affidavit of affixture has been  
39 recorded PURSUANT TO SECTION 33-1501. The owner shall surrender the original  
40 certificates of title or manufacturer's statements of origin to permanently  
41 affixed mobile homes to the department in the manner prescribed by the  
42 department. The department shall issue a receipt for the documents  
43 surrendered pursuant to this paragraph.

44           B. The issuance of a certificate of title for a mobile home shall be  
45 as provided by law for ~~titling~~ THE ISSUANCE OF A CERTIFICATE OF TITLE FOR

1 motor vehicles, except that in the case of a mobile home that consists of two  
2 or more separate sections, each section shall have a separate certificate of  
3 title.

4 C. A mobile home is subject to all applicable provisions of this  
5 title, except those relating to registration.

6 D. If a CERTIFICATE OF title is applied for on a mobile home entering  
7 this state for sale or installation, a certificate of compliance or waiver  
8 issued by the office of manufactured housing is required and shall be  
9 submitted with the CERTIFICATE OF title application.

10 Sec. 18. Section 28-2064, Arizona Revised Statutes, is amended to  
11 read:

12 28-2064. Electronic certificates of title system;  
13 applicability; rules

14 A. The director ~~shall~~ MAY establish a system to require recording of  
15 ~~vehicle~~ CERTIFICATE OF title information for newly issued, transferred and  
16 corrected certificates of title, including perfection and release of security  
17 interests, through electronic media in a cost-effective manner in lieu of the  
18 submission and maintenance of paper documents as provided in this chapter.

19 B. In the process of establishing the system, the director shall:

20 ~~1. Research methods by which the department, lending institutions and~~  
21 ~~sales finance companies may exchange and maintain information concerning the~~  
22 ~~perfection and release of vehicle security interests without submitting or~~  
23 ~~receiving a paper title document.~~

24 ~~2. Develop methods by which lending institutions, sales finance~~  
25 ~~companies and manufacturers may electronically submit updated information~~  
26 ~~pertaining to the title record, including the addition, assignment or release~~  
27 ~~of vehicle security interests.~~

28 1. ESTABLISH PROCEDURES FOR ISSUING AND MAINTAINING AN ELECTRONIC  
29 CERTIFICATE OF TITLE SYSTEM THAT IS APPLICABLE TO ALL CERTIFICATE OF TITLE  
30 TRANSACTIONS PERFORMED IN THIS STATE.

31 2. DEVELOP METHODS TO ELECTRONICALLY SHARE INFORMATION RELATED TO  
32 APPLICATIONS FOR CERTIFICATES OF TITLE WITH LAW ENFORCEMENT AGENCIES AND  
33 ENTITIES LICENSED UNDER THIS TITLE.

34 C. Section 28-444, subsection B applies to certificates of title under  
35 the system established pursuant to this section.

36 D. This section does not apply to certificates of title for mobile  
37 homes.

38 E. THE DIRECTOR MAY ADOPT RULES AS NECESSARY TO IMPLEMENT THIS  
39 SECTION, INCLUDING THE CRITERIA FOR WHEN THE DEPARTMENT MAY ISSUE A PAPER  
40 CERTIFICATE OF TITLE.

41 Sec. 19. Section 28-2065, Arizona Revised Statutes, is amended to  
42 read:

43 28-2065. Electronic and digital signatures; documents

44 A. ~~On or before January 1, 2009,~~ The director in cooperation with a  
45 statewide association of franchised new motor vehicle dealers shall establish

1 a ~~schedule to develop a pilot~~ program to accept and use electronic or digital  
2 signatures.

3 B. In the process of developing the ~~pilot~~ program, the director shall  
4 research and develop methods to allow the department, authorized third  
5 parties, licensed financial institutions, licensed insurers or any other  
6 business or individual as determined by the director to accept, exchange and  
7 use electronic or digital signatures for any document or for any transaction  
8 prescribed in this chapter and sections 28-370, 28-444, 28-453 and 28-5111.

9 C. The participants shall ensure that adequate security measures are  
10 in place to prevent any illegal use of the signatures or other information  
11 exchanged pursuant to this section.

12 ~~D. Except for a statewide association of franchised new motor vehicle~~  
13 ~~dealers, the director may limit the number of participants in the system but~~  
14 ~~shall encourage authorized third parties and businesses of various sizes to~~  
15 ~~participate.~~

16 ~~E. After the system has been operating for twelve months, the director~~  
17 ~~may expand the system if the director determines the system is successful.~~

18 ~~F.~~ D. The director may determine and require reimbursement from ~~pilot~~  
19 program participants for costs related to computer programming, hardware,  
20 development and personnel. The department shall deposit, pursuant to  
21 sections 35-146 and 35-147, all monies received pursuant to this section in a  
22 separate account of the state highway fund established by section 28-6991.  
23 Monies in the separate account are continuously appropriated. The director  
24 may transfer monies deposited pursuant to this subsection from the separate  
25 account to the operating budget of the department's motor vehicle division  
26 for the purpose of reimbursing the department's operating budget for  
27 expenditures made by the division pursuant to this section.

28 ~~G.~~ E. This section does not limit the use of electronic and digital  
29 signatures used by state agencies, boards or commissions pursuant to section  
30 41-132.

31 ~~H.~~ F. The director ~~shall~~ MAY adopt ~~policies~~ RULES necessary to  
32 implement this section.

33 Sec. 20. Section 28-2091, Arizona Revised Statutes, is amended to  
34 read:

35 28-2091. Salvage certificate of title; stolen vehicle  
36 certificate of title; nonrepairable vehicle  
37 certificate of title; recovered vehicles; violation;  
38 classification; definitions

39 A. If a vehicle that is subject to ~~titling~~ THE ISSUANCE OF A  
40 CERTIFICATE OF TITLE or registration pursuant to this chapter becomes a  
41 salvage vehicle, stolen vehicle or nonrepairable vehicle and is acquired by  
42 an insurance company as a result of a total loss insurance settlement, the  
43 insurance company or its authorized agent shall submit an application, as  
44 determined by the insurance company or its authorized agent, to the  
45 department within thirty days after the CERTIFICATE OF title is properly

1 assigned by the owner to the insurance company, with all liens released, on a  
2 form prescribed by the department for either a salvage certificate of title,  
3 stolen vehicle certificate of title or nonrepairable vehicle certificate of  
4 title. The selected **CERTIFICATE OF** title shall include the following:

- 5 1. A properly endorsed certificate of title.
- 6 2. A lien satisfaction, if applicable.
- 7 3. The appropriate fees.

8 B. Within thirty days after oral or written acceptance by the owner of  
9 an offer in settlement of total loss, if an insurance company or its  
10 authorized agent is unable to obtain the documents prescribed by subsection  
11 A, paragraphs 1 and 2 of this section, the insurance company or its agent, on  
12 a form provided by the department, may submit an application to the  
13 department for a salvage certificate of title, stolen vehicle certificate of  
14 title or nonrepairable vehicle certificate of title. The application shall  
15 include evidence that the insurance company or its agent has made two or more  
16 written attempts to obtain the documents prescribed by subsection A,  
17 paragraphs 1 and 2 of this section. The application shall include the  
18 appropriate fees prescribed by subsection A, paragraph 3 of this section.  
19 The insurance company shall indemnify and hold harmless the department for  
20 any claims resulting from the issuance of a salvage certificate of title,  
21 stolen vehicle certificate of title or nonrepairable vehicle certificate of  
22 title pursuant to this subsection.

23 C. Except for vehicles registered pursuant to section 28-2482, 28-2483  
24 or 28-2484, if the owner retains possession of a salvage vehicle or  
25 nonrepairable vehicle, the owner shall comply with this section before  
26 receiving a total loss settlement from the insurance company or otherwise  
27 disposing of the vehicle.

28 D. Any other owner of a vehicle that is a salvage vehicle or  
29 nonrepairable vehicle shall apply for a salvage certificate of title or  
30 nonrepairable vehicle certificate of title pursuant to this section.

31 E. On receipt of a proper application, the department shall issue a  
32 salvage certificate of title, stolen vehicle certificate of title or  
33 nonrepairable vehicle certificate of title for the vehicle.

34 F. If the department issues a nonrepairable vehicle certificate of  
35 title for a vehicle, the registration of the vehicle is cancelled. The front  
36 of a nonrepairable vehicle certificate of title shall be branded with the  
37 word "nonrepairable". The ownership of a vehicle for which a nonrepairable  
38 vehicle certificate of title has been issued shall not be reassigned more  
39 than two times on that certificate of title **OR A TITLE TRANSFER FORM**. If a  
40 nonrepairable vehicle certificate of title is issued for a vehicle, the  
41 department shall not **PERFORM ANY TITLE TRANSFERS OR** issue any further **PAPER**  
42 certificate of title for that vehicle.

43 G. An owner of a vehicle that is not a salvage vehicle who sells the  
44 vehicle as scrap or for purposes of dismantling or destroying shall assign

1 the certificate of title OR A TITLE TRANSFER FORM to the purchaser, and the  
2 purchaser shall comply with section 28-2094.

3 H. On sale of the vehicle, an owner of a salvage vehicle for which a  
4 salvage certificate of title has been obtained or an owner of a nonrepairable  
5 vehicle for which a nonrepairable vehicle certificate of title has been  
6 obtained shall assign and deliver the salvage certificate of title or  
7 nonrepairable vehicle certificate of title OR A TITLE TRANSFER FORM to the  
8 purchaser and shall notify the department of the name and address of the  
9 purchaser.

10 I. Except as provided in subsection L of this section, the department  
11 shall issue a certificate of title to a vehicle that has been issued a  
12 salvage certificate of title or stolen vehicle certificate of title as a  
13 result of a total loss settlement by reason of theft if the vehicle is  
14 recovered and was not wrecked or stripped of essential parts and the  
15 insurance company or its authorized agent submits an affidavit to the  
16 department in a form prescribed by the department stating either of the  
17 following:

18 1. The vehicle is a recovered theft and both of the following:

19 (a) The vehicle was not wrecked or stripped of essential parts.

20 (b) To the insurance company's or its authorized agent's actual  
21 knowledge, no air bag or component part necessary to the proper function of  
22 the air bag system deployed in the vehicle or was removed from the vehicle.

23 2. The vehicle is a recovered theft and, to the insurance company's or  
24 its authorized agent's actual knowledge, an air bag or an air bag module  
25 deployed in the vehicle or was removed from the vehicle. The insurance  
26 company or its authorized agent shall list the location in the vehicle of  
27 each deployment or removal of an air bag or an air bag module.

28 J. On receipt of an affidavit submitted pursuant to subsection I,  
29 paragraph 2 of this section, the department shall mark its records to  
30 indicate the deployment or removal of the air bag or air bag module from the  
31 vehicle and the location of each deployment or removal.

32 K. The insurance company or its authorized agent shall give the  
33 purchaser of a vehicle that is a recovered theft, as described in subsection  
34 I of this section, a copy of the affidavit submitted pursuant to subsection I  
35 of this section.

36 L. If the vehicle is a recovered theft and components of the vehicle's  
37 air bag system, other than the air bag or the air bag module described in  
38 subsection I, paragraph 2 of this section, or other parts of the vehicle were  
39 removed compromising the functional integrity of the air bag system or the  
40 structural integrity of the vehicle, the insurance company or its authorized  
41 agent shall submit an affidavit to the department in a form prescribed by the  
42 department stating that the vehicle is a recovered theft and that components  
43 of the vehicle's air bag system, other than the air bag or the air bag module  
44 described in subsection I, paragraph 2 of this section, or other parts of the  
45 vehicle were removed compromising the functional integrity of the air bag



1 system or the structural integrity of the vehicle. The department shall not  
2 issue a certificate of title to the vehicle but may issue a restored salvage  
3 certificate of title pursuant to section 28-2095 if all of the following  
4 apply:

5 1. The vehicle is repairable.

6 2. The department successfully completes a level three inspection as  
7 prescribed in section 28-2011.

8 3. The vehicle meets other requirements the director prescribes.

9 M. Except as provided in subsection N of this section, any person who  
10 sells a vehicle that is issued a certificate of title pursuant to subsection  
11 I of this section and who has actual knowledge that an air bag, an air bag  
12 module or components of the vehicle's air bag system compromising the  
13 functional integrity of the air bag system deployed or were removed from the  
14 vehicle shall not fail to disclose the deployment or removal to the buyer  
15 before completion of the sale with the intention of concealing the deployment  
16 or removal. A person who violates this subsection is guilty of a class 1  
17 misdemeanor.

18 N. Subsection M of this section does not apply to either of the  
19 following:

20 1. An insurance company or its authorized agent who issues an  
21 affidavit pursuant to subsection I of this section unless the insurance  
22 company or its authorized agent intentionally fails to disclose the  
23 deployment or removal of an air bag, an air bag module or components of the  
24 vehicle's air bag system that compromise the functional integrity of the air  
25 bag system.

26 2. A person who owns a vehicle that is issued a certificate of title  
27 pursuant to subsection I of this section if the person repairs or replaces  
28 the air bag or air bag module in the vehicle.

29 O. Any person who sells a vehicle for which a salvage certificate of  
30 title has been issued and who knows a salvage certificate of title has been  
31 issued for the vehicle shall disclose to the buyer before completion of the  
32 sale that the vehicle is a salvage vehicle.

33 P. If a vehicle that ~~is titled~~ HAS A CERTIFICATE OF TITLE as a salvage  
34 vehicle is to be scrapped, dismantled or destroyed, the owner or purchaser  
35 shall comply with section 28-2094.

36 Q. The provisions of this chapter that refer to ~~titles~~ CERTIFICATES OF  
37 TITLE apply to salvage certificates of title, stolen vehicle certificates of  
38 title and nonrepairable vehicle certificates of title issued pursuant to this  
39 section unless they conflict with this section.

40 R. If a component part of a vehicle on which the vehicle  
41 identification number is affixed is to be replaced and if the vehicle is  
42 being repaired by a person other than its owner, the person shall notify the  
43 owner in writing and in the manner prescribed by the department that the part  
44 has been replaced, and the owner shall comply with section 28-2165. This  
45 subsection does not apply if the department has not issued a salvage



1 certificate of title or a nonrepairable certificate of title and if the  
2 vehicle manufacturer or the manufacturer's authorized agent meets all of the  
3 following conditions:

4 1. The frame is the component part replaced.

5 2. The frame replacement is performed by the vehicle manufacturer or  
6 the manufacturer's authorized agent.

7 3. If the original frame contained a vehicle identification number or  
8 serial number, the original vehicle identification number or serial number,  
9 in a similar size and style, is restamped in the replacement frame by the  
10 manufacturer or the manufacturer's authorized agent.

11 4. Any existing manufacturer warranties remaining on the vehicle are  
12 not voided.

13 5. The manufacturer or the manufacturer's authorized agent obliterates  
14 all vehicle identification numbers or serial numbers contained on the  
15 original frame.

16 S. Except as otherwise provided, a person who violates this section is  
17 guilty of a class 2 misdemeanor.

18 T. For the purposes of this section:

19 1. "Essential parts" means integral and body parts, the removal,  
20 alteration or substitution of which will tend to conceal the identity or  
21 substantially alter the appearance of the vehicle.

22 2. "Nonrepairable vehicle" means a vehicle of a type that is otherwise  
23 subject to ~~titling~~ THE ISSUANCE OF A CERTIFICATE OF TITLE and registration  
24 pursuant to this chapter and that either:

25 (a) Has no resale value except as a source of parts or scrap metal and  
26 the owner or insurer designates the vehicle solely as a source of parts or  
27 scrap metal.

28 (b) Is a completely stripped vehicle that is recovered from theft and  
29 that is missing the engine or motor, the transmission, all of the bolt-on  
30 sheet metal body panels, all of the doors and hatches, substantially all of  
31 the interior components and substantially all of the grill and light  
32 assemblies or that the owner designates has little or no resale value except  
33 its worth as a source of scrap metal or as a source of a vehicle  
34 identification number that could be used illegally.

35 (c) Is a completely burned vehicle that has been burned to the extent  
36 that there are no usable or repairable body or interior components, tires and  
37 wheels, engine or motor or transmission and that the owner irreversibly  
38 designates as having little or no resale value except as a source of scrap  
39 metal or as a source of a vehicle identification number that could be used  
40 illegally.

41 ~~3. "Nonrepairable vehicle certificate of title" means a vehicle~~  
42 ~~ownership document issued to the owner of a nonrepairable vehicle.~~

43 ~~4.~~ 3. "Salvage vehicle" means a vehicle, other than a nonrepairable  
44 vehicle, of a type that is subject to ~~titling~~ THE ISSUANCE OF A CERTIFICATE  
45 OF TITLE and registration pursuant to this chapter and that has been stolen,

1 wrecked, destroyed, flood or water damaged or otherwise damaged to the extent  
2 that the owner, leasing company, financial institution or insurance company  
3 considers it uneconomical to repair the vehicle.

4 ~~5-~~ 4. "Stolen vehicle certificate of title" means a vehicle ownership  
5 document issued to the owner of a vehicle that has been stolen and not  
6 recovered.

7 Sec. 21. Section 28-2094, Arizona Revised Statutes, is amended to  
8 read:

9 28-2094. Dismantling motor vehicle; application fee;  
10 certificate of title; exemption

11 A. An owner who sells a motor vehicle, trailer or semitrailer as scrap  
12 or for dismantling or destroying shall assign the certificate of title **OR**  
13 **TITLE TRANSFER FORM** of the vehicle to the purchaser. The purchaser shall  
14 deliver the following to the department:

- 15 1. An application for a dismantle certificate of title to scrap,  
16 dismantle or destroy the vehicle.
- 17 2. The certificate of title ~~to~~ **OR TITLE TRANSFER FORM OF** the vehicle  
18 purchased.
- 19 3. The registration card of the vehicle.
- 20 4. The license plate of the vehicle, if any.
- 21 5. A fee of four dollars.

22 B. ~~Except as provided in subsection G,~~ An owner who intends or desires  
23 to dismantle a vehicle shall first forward all of the following to the  
24 department:

- 25 1. An application for a dismantle certificate of title to dismantle or  
26 wreck the vehicle.
- 27 2. The certificate of title ~~to~~ **OR TITLE TRANSFER FORM OF** the vehicle.
- 28 3. The registration card of the vehicle.
- 29 4. The license plate of the vehicle, if any.
- 30 5. A fee of four dollars.

31 C. If the registration card or license plate is lost or destroyed, the  
32 applicant shall state in a form prescribed by the department under penalty of  
33 perjury the circumstances of the loss or destruction. ~~Except as provided in~~  
34 ~~subsection G,~~ On receipt of the documents and fee required by this section,  
35 the department shall issue a dismantle certificate of title to the applicant  
36 to dismantle or destroy the vehicle. The dismantle certificate of title **OR**  
37 **TITLE TRANSFER FORM** authorizes the person to transport or possess the vehicle  
38 or to transfer ownership by endorsement on the dismantle certificate of title  
39 **OR TITLE TRANSFER FORM**. The department shall not issue a certificate of  
40 title for the vehicle if it is dismantled or destroyed.

41 D. ~~Except as provided in subsection G,~~ A licensed automotive recycler  
42 who files with the application for a dismantle certificate of title under  
43 this section an Arizona certificate of title indicating that the vehicle is  
44 free of all liens or a valid release of any liens shown on the **CERTIFICATE OF**  
45 title may begin dismantling the vehicle five days after mailing or three days

1 after delivery of the required documents and fee to the department unless  
2 notified by the department of the claim of lien or interest in the vehicle by  
3 some other person. If the department sends this notice, the licensed  
4 automotive recycler shall cease dismantling or sale of the vehicle and any of  
5 its parts until the rights of the other person are determined.

6 E. A licensed automotive recycler may dismantle a vehicle without  
7 obtaining a dismantle certificate of title in the licensed automotive  
8 recycler's name if the vehicle has previously been issued a dismantle  
9 certificate of title, a salvage certificate of title or a nonrepairable  
10 vehicle certificate of title. The dismantle certificate of title, salvage  
11 certificate of title or nonrepairable vehicle certificate of title must be  
12 the current title of record. ~~Except as provided in subsection G,~~ An  
13 automotive recycler shall file a written request to dismantle the vehicle in  
14 a form prescribed by the department. The automotive recycler may begin  
15 dismantling the vehicle ~~after completing the requirements imposed by the~~  
16 ~~department pursuant to subsection G or~~ after mailing or delivering the  
17 request. If the department notifies the automotive recycler of a claim of  
18 lien or interest in the vehicle by some other person, the automotive recycler  
19 shall cease dismantling or sale of the vehicle and any of its parts until the  
20 rights of the other person are determined.

21 F. An owner may dismantle a vehicle without obtaining a dismantle  
22 certificate of title if a nonrepairable vehicle certificate of title has been  
23 issued for the vehicle.

24 ~~G. The director may establish an electronic title system to allow the~~  
25 ~~voluntary recording of the information or documents required by this section~~  
26 ~~through electronic media in a cost effective manner in lieu of the submission~~  
27 ~~of paper documents as provided in this section. A valid electronic dismantle~~  
28 ~~certificate of title issued by the department to a person authorizes the~~  
29 ~~person to possess, transport, dismantle or destroy the vehicle.~~

30 ~~H. In the process of establishing the electronic title system, the~~  
31 ~~director shall:~~

32 ~~1. Research methods by which the department and licensed automotive~~  
33 ~~recyclers may exchange and maintain information concerning the electronic~~  
34 ~~completion of dismantle certificates of title without submitting or receiving~~  
35 ~~a paper document.~~

36 ~~2. Develop methods by which licensed automotive recyclers may~~  
37 ~~electronically submit updated information pertaining to the vehicle record.~~

38 ~~3. Develop methods to electronically share information related to~~  
39 ~~applications for dismantle certificates with law enforcement agencies and~~  
40 ~~licensed automotive recyclers for the purpose of identifying stolen vehicles~~  
41 ~~and stolen vehicle parts.~~

42 ~~I. The director may limit the number of licensed automotive recyclers~~  
43 ~~participating in the electronic title system.~~

44 ~~J. G.~~ G. The director may adopt rules to implement this section.



1 I. For the purposes of this section:

2 1. For passenger vehicles, "component parts" includes the cowl or  
3 firewall, front end assembly, rear clip, including the roof panel, the roof  
4 panel if installed separately and the frame or any portion of the frame, or  
5 in the case of a unitized body, the supporting structure that serves as the  
6 frame, each door, the hood, each fender or quarter panel, the deck lid or  
7 hatchback, each bumper, transmissions or transaxles and an engine or motor.  
8 For the purposes of this paragraph:

9 (a) "Front end assembly" includes the hood, fenders, bumper, radiator  
10 and supporting members for these items. For vehicles with a unitized body,  
11 the front end assembly also includes the frame support members.

12 (b) "Rear clip" includes the roof, quarter panels, trunk lid, floor  
13 pan, rear bumper and support members for these items.

14 2. For trucks or truck-type or bus-type vehicles, "component parts"  
15 includes the cab, the frame or any portion of the frame, and in the case of a  
16 unitized body, the supporting structure that serves as a frame, the cargo  
17 compartment floor panel, the passenger compartment floor pan, the roof panel,  
18 transmissions or transaxles, engines or motors, each door, the hood, each  
19 fender or quarter panel, each bumper, the tailgate and all component parts  
20 that are included in paragraph 1 of this subsection and that are not listed  
21 in this paragraph if the part is replaced.

22 3. For motorcycles, "component parts" includes the engine or motor,  
23 transmission or transaxle, frame, front fork, crankcase and fairing and any  
24 other body molding.

25 4. "Restored salvage ~~certificate of title~~ VEHICLE" means a ~~certificate~~  
26 ~~of title issued to a~~ vehicle that has been restored and for which a salvage  
27 certificate of title or a dismantle certificate of title has been issued.

28 Sec. 23. Section 28-2097, Arizona Revised Statutes, is amended to  
29 read:

30 28-2097. Modular motor homes; definition

31 A. Notwithstanding any other provision of this title:

32 1. If a refurbished coach or body component is remounted to a new cab  
33 and chassis power unit of a modular motor home, the department shall **ISSUE A**  
34 **CERTIFICATE OF** title **FOR** the modular motor home according to the make of the  
35 refurbished coach. The manufacturer's cab and chassis vehicle identification  
36 number determines the model year. The department shall conduct a level one  
37 inspection of the vehicle and shall brand the **CERTIFICATE OF** title  
38 refurbished.

39 2. If a modular motor home is separated by removal of the coach or  
40 body component from the cab and chassis power unit and a cargo box, container  
41 or structure, if any, other than a motor home coach, is fitted to the cab and  
42 chassis unit, it ceases to be a modular motor home. The department shall  
43 conduct a level one inspection and shall **ISSUE A CERTIFICATE OF** title **FOR** the  
44 vehicle according to the body style determined by the inspection. The  
45 department shall use the make and model year of the cab and chassis for

1 ~~titling purposes~~ THE PURPOSE OF ISSUING A CERTIFICATE OF TITLE and shall  
2 brand the CERTIFICATE OF title refurbished.

3 B. If a vehicle covered by this section is offered for sale, a person  
4 who sells the vehicle shall keep full and complete disclosure statements and  
5 present those statements to any person or entity that requests them at the  
6 time of a sale or purchase. For the purposes of this subsection, full and  
7 complete disclosure statements are documents that accurately reflect the  
8 history of the original manufacturer's cab and chassis, including vehicle  
9 identification numbers, dates of required inspections, odometer readings and  
10 other information prescribed by the director in rules.

11 C. For the purposes of this section, "modular motor home" means:

12 1. A type of motor home that is primarily designed as temporary living  
13 quarters, that satisfies the requirements prescribed in section 28-4301,  
14 paragraph 20, subdivision (b) and that is intended from inception through  
15 final assembly to consist of an incomplete cab and chassis power unit  
16 component and a coach or body component that are designed and engineered to  
17 be joined or separated without sheet metal modifications to the cab and  
18 chassis power unit component.

19 2. A vehicle that if joined to form a single unit consists of both:

20 (a) A cab and chassis power unit component that is purchased or  
21 acquired new from an original manufacturer.

22 (b) A coach or body component that is either purchased or acquired new  
23 from an original manufacturer or that is refurbished.

24 Sec. 24. Section 28-2131, Arizona Revised Statutes, is amended to  
25 read:

26 28-2131. Liens and encumbrances: validity

27 The following, other than a lien dependent on possession, are not valid  
28 against the creditors of an owner acquiring a lien by levy or attachment or  
29 against subsequent purchasers or encumbrancers without notice until the  
30 requirements of this article are met:

31 1. Any security agreement, conditional sale contract, conditional  
32 lease, chattel mortgage or other lien or encumbrance.

33 2. A CERTIFICATE OF title retention instrument or any other instrument  
34 affecting or evidencing title to, ownership of or reservation of title to a  
35 vehicle required to be ~~titled~~ ISSUED A CERTIFICATE OF TITLE and registered  
36 under section 28-2153 or a mobile home required to be ~~titled~~ ISSUED A  
37 CERTIFICATE OF TITLE under section 28-2063.

38 3. A contract for conveyance of real property, deed of trust or  
39 mortgage securing a lien on a mobile home and on real property.

40 Sec. 25. Section 28-2132, Arizona Revised Statutes, is amended to  
41 read:

42 28-2132. Indication of lien or encumbrance

43 A. The department shall provide on the application for A CERTIFICATE  
44 OF title and the application for registration only a section that provides  
45 for the indication of a lien or encumbrance on the vehicle.

1 B. The applicant's signature on the application for A CERTIFICATE OF  
2 title or the application for registration only is consent for the lien or  
3 encumbrance to be indicated by the department on its official CERTIFICATE OF  
4 title record for the vehicle.

5 C. Except as provided in subsection D OF THIS SECTION and on receipt  
6 of the application as provided in this section, the department shall endorse  
7 on the application the date and hour it was received at the registering  
8 office of the department.

9 D. The department shall not issue a new certificate of title if the  
10 outstanding certificate of title indicates an existing lien or encumbrance  
11 unless the lien or encumbrance has been satisfied or the lienor or  
12 encumbrancer has consented in writing or electronically to the transfer of  
13 title.

14 Sec. 26. Section 28-2133, Arizona Revised Statutes, is amended to  
15 read:

16 28-2133. Index and filing of liens, encumbrances or  
17 instruments; constructive notice

18 A. The department shall maintain an appropriate index of all liens,  
19 encumbrances or title retention instruments filed as provided by this  
20 article.

21 B. The filing and issuance of a new certificate of title as provided  
22 in this article is constructive notice to creditors of the owner or to  
23 subsequent purchasers of all liens and encumbrances against the vehicle  
24 described in the certificate of title, except those that are authorized by  
25 law and that are dependent on possession. If the documents referred to in  
26 this article are delivered to a registering office or an authorized third  
27 party provider of the department within thirty days after the date of their  
28 execution, the constructive notice dates from the time of execution.  
29 Otherwise, the notice dates from the time of receipt and filing of the  
30 documents by the department as shown by its endorsement. For the purposes of  
31 this subsection, the time stamp on the documents that is administered by the  
32 registering officer or authorized third party provider of the department  
33 electronically or otherwise is conclusive as to the time and date of delivery  
34 of the documents.

35 C. The method provided in subsection B of this section for giving  
36 constructive notice of a lien or encumbrance on a vehicle required to be  
37 ~~titled~~ ISSUED A CERTIFICATE OF TITLE and registered under section 28-2153 or  
38 a mobile home required to be ~~titled~~ ISSUED A CERTIFICATE OF TITLE under  
39 section 28-2063 is exclusive, except for liens dependent on possession. A  
40 lien, encumbrance or title retention instrument or document that evidences  
41 any of them and that is filed as provided by this article is exempt from the  
42 provisions of law that otherwise require or relate to the recording or filing  
43 of instruments creating or evidencing title retention or other liens or  
44 encumbrances on vehicles of a type subject to registration under this  
45 chapter.



1 D. Notwithstanding any other law and except as otherwise provided in  
2 this subsection, the failure of a motor vehicle dealer as defined in section  
3 28-4301, a finance company or the department to complete the paperwork within  
4 thirty days as prescribed in subsection B of this section shall not result in  
5 the loss of the vehicle for either the lienholder or the person who purchased  
6 the vehicle. This subsection does not limit or negate the powers of a  
7 trustee under 11 United States Code section 547 or any successor statute.

8 Sec. 27. Section 28-2134, Arizona Revised Statutes, is amended to  
9 read:

10 28-2134. Satisfaction of lien or encumbrance: assignment of  
11 obligation by lienholder; civil penalty

12 A. When a holder of a lien or encumbrance receives payment in full  
13 satisfying a lien or encumbrance recorded under this article, the holder of  
14 the lien or encumbrance shall release the lien or encumbrance and ~~deliver the~~  
15 ~~certificate of title to the next holder of a lien or encumbrance entitled to~~  
16 ~~possession of the certificate of title or, if there is not another holder of~~  
17 ~~a lien or encumbrance entitled to possession of the certificate of title, to~~  
18 NOTIFY the owner of the vehicle at the address shown on the certificate of  
19 title or, if the holder of the lien or encumbrance has been previously  
20 notified of sale or transfer of the vehicle, ~~to~~ the person who is legally  
21 entitled to possession THAT THE DEPARTMENT HAS ISSUED A CERTIFICATE OF TITLE  
22 TO THE PERSON FOR THE VEHICLE.

23 B. If a holder of a lien or encumbrance assigns the obligation and the  
24 holder lawfully has possession of the certificate of title, the holder shall  
25 deliver the certificate of title at the time of assignment to the holder's  
26 assignee. If a holder of a lien or encumbrance is not entitled to possession  
27 of the certificate of title when the holder assigns the obligation, the  
28 holder shall immediately deliver the certificate of title to the assignee  
29 when the holder becomes lawfully entitled to and obtains lawful possession of  
30 the certificate of title. The holder's assignee is entitled to hold the  
31 certificate of title until the obligation is satisfied. When the obligation  
32 is satisfied, the assignee shall deliver the certificate of title to the next  
33 holder of a lien or encumbrance entitled to possession of the certificate of  
34 title or, if there is not another holder of a lien or encumbrance entitled to  
35 possession of the certificate of title, to the owner of the vehicle as  
36 prescribed in subsection A of this section.

37 C. If a holder of a lien or encumbrance who possesses a certificate of  
38 title as provided in this article refuses or fails to surrender the  
39 certificate of title to the person who is legally entitled to possession of  
40 the certificate of title on that person's request and within fifteen business  
41 days after the holder receives payment in full satisfaction of the holder's  
42 lien or encumbrance, after an opportunity for an administrative hearing, the  
43 department may impose and collect a civil penalty from the holder of the lien  
44 or encumbrance to be deposited, PURSUANT TO SECTIONS 35-146 AND 35-147, in  
45 the state highway fund established by section 28-6991 as follows:





1 A CERTIFICATE OF TITLE and registered under section 28-2153 if the lien  
2 remains on the records of the department as unsatisfied twelve years after  
3 filing with the department.

4 B. This section applies only to noncommercial vehicles other than  
5 travel trailers, motor homes or mobile homes.

6 Sec. 30. Section 28-2137, Arizona Revised Statutes, is amended to  
7 read:

8 28-2137. Restitution lien; removal

9 A. Notwithstanding section 28-2132, after a hearing, the director may  
10 remove a restitution lien filed pursuant to section 13-805 or ~~section~~ 13-806  
11 from a vehicle record if the director finds both of the following:

12 1. A person purchased the vehicle without any knowledge that the  
13 vehicle was subject to a filed restitution lien.

14 2. The person who sold the vehicle is an obligor under a filed  
15 restitution lien and sold the vehicle without disclosing to the purchaser  
16 that the vehicle was subject to a filed restitution lien.

17 B. If a restitution lien is removed as prescribed in subsection A of  
18 this section, the department shall place a code on the obligor's record that  
19 automatically restores the restitution lien on any vehicle that is  
20 subsequently ~~issued~~ ISSUED A CERTIFICATE OF TITLE or registered, or both, by  
21 the obligor.

22 C. If the lien, or any portion of the lien, was the result of an order  
23 to pay restitution, the party for whom restitution was ordered shall be  
24 provided with notice of any hearing held pursuant to this section and an  
25 opportunity to appear. The department shall provide notice of the hearing to  
26 the governmental agency that requested the lien be placed on the obligor's  
27 record. The governmental agency that requested the lien shall promptly  
28 provide notice to any party for whom restitution was ordered.

29 Sec. 31. Section 28-2162, Arizona Revised Statutes, is amended to  
30 read:

31 28-2162. Delinquent registration; penalty; lien; failure to  
32 apply for certificate of title; waiver

33 A. If a vehicle is operated on a highway without payment of the  
34 registration or CERTIFICATE OF TITLE transfer fee, the fee is delinquent. If  
35 the fee is not paid before the date on which the vehicle is required to be  
36 registered for the current registration year, the department shall collect a  
37 penalty. The penalty is eight dollars for the first month of delinquency and  
38 four dollars for each additional month, not to exceed a total penalty of one  
39 hundred dollars. Registration of a vehicle in the name of the applicant for  
40 the year immediately preceding the year for which the application for  
41 registration is made is prima facie evidence that the vehicle has been  
42 operated on the highways during the year for which the application for  
43 registration is made.

44 B. Except as provided in section 28-5807, an applicant shall submit  
45 the total annual registration fee, the weight fee, any other required fee and

1 the penalty prescribed in subsection A of this section with an application  
2 for registration of a vehicle that is submitted after the date the vehicle  
3 was required to be registered for the registration year in which registration  
4 of the vehicle for the next preceding year expired. If it is determined at  
5 the time of renewal, on proof satisfactory to the director, that the vehicle  
6 was not operated on the highways of this state before the filing of the  
7 application and the registration of the vehicle, the department shall refund  
8 or waive the penalty prescribed in subsection A of this section.

9 C. A registration fee and any penalty added to the fee are a lien on  
10 the vehicle on which they are due from the due date. The department may  
11 collect the fee and penalty by seizure of the vehicle from the person in  
12 possession of the vehicle, if any, and by sale as provided by law.

13 D. The director shall prescribe the method of readily identifying on  
14 the license plate the current registration date of the license plate.

15 E. A person who fails to apply for a certificate of title for any  
16 mobile home or other vehicle that is not registered under this title within  
17 thirty days after acquiring the mobile home or vehicle shall pay an  
18 additional fee equal to the penalty prescribed in subsection A of this  
19 section.

20 F. If a person who is licensed pursuant to chapter 10 of this title  
21 applies for a dismantle certificate of title for a vehicle pursuant to  
22 section 28-2094, the department shall waive any penalties that relate to the  
23 vehicle and that are imposed pursuant to this section.

24 Sec. 32. Section 28-2165, Arizona Revised Statutes, is amended to  
25 read:

26 28-2165. Special serial or identification number

27 A. If the manufacturer's serial or other identifying number of a motor  
28 vehicle, trailer or semitrailer is altered, removed, obliterated, defaced,  
29 omitted or otherwise missing or if the original manufacturer's serial or  
30 identification number on a major component part of a motor vehicle can be  
31 permanently restored after having been removed, defaced, altered or  
32 destroyed, the owner at the time of application for registration ~~OF~~ or  
33 ~~titling of~~ A CERTIFICATE OF TITLE TO the vehicle shall file an application  
34 with the department, on a form the department provides, that contains facts  
35 and information required by the director for the assignment of a special  
36 serial or identifying number.

37 B. The form prescribed by subsection A of this section shall require,  
38 at a minimum, both of the following:

39 1. A sworn statement by the owner that the owner is the lawful owner  
40 of the vehicle and that sets forth the basis for the claim of ownership,  
41 including documentation such as purchase contracts, bills of sale, invoices  
42 and receipts for the original vehicle and any replacement parts that replaced  
43 damaged portions of the original vehicle that bore original manufacturer's  
44 serial or identification numbers.

1           2. A copy of police or law enforcement agency reports documenting the  
2 theft and recovery of the vehicle, a copy of a police or law enforcement  
3 agency accident report documenting the extent of damage to the vehicle, a  
4 certified copy of documents from an insurance company documenting the precise  
5 nature, extent and dollar amount of damage to the vehicle or a sworn  
6 statement by the owner, including full and complete supporting documentation,  
7 establishing the origin of the vehicle and each major component part of the  
8 vehicle.

9           C. If the director is satisfied that the applicant has provided the  
10 documentation required by this section and that the applicant is entitled to  
11 assignment of a special serial or identification number, the director shall  
12 designate the serial number and note it on the application, on a suitable  
13 record of the department and on the authorization of use of the number.

14           D. The director shall furnish to the applicant a serial plate together  
15 with the authorization of use that shall be immediately delivered to a  
16 department inspector or agent who shall permanently attach the serial plate  
17 to the item in a conspicuous position and certify the attachment on the  
18 authorization of use. After attachment and certification, the plate is the  
19 lawful serial or identification number and shall remain on the item during  
20 its existence.

21           E. Subsection A of this section does not apply if the provisions of  
22 section 28-2092, paragraph 1, subdivision (c) are met.

23           Sec. 33. Section 28-3511, Arizona Revised Statutes, is amended to  
24 read:

25           28-3511. Removal and immobilization or impoundment of vehicle;  
26 Arizona crime information center database

27           A. A peace officer shall cause the removal and either immobilization  
28 or impoundment of a vehicle if the peace officer determines that:

29           1. A person is driving the vehicle while any of the following applies:

30           (a) Except as otherwise provided in this ~~paragraph~~ SUBDIVISION, the  
31 person's driving privilege is suspended or revoked for any reason. A peace  
32 officer shall not cause the removal and either immobilization or impoundment  
33 of a vehicle pursuant to this ~~paragraph~~ SUBDIVISION if the person's privilege  
34 to drive is valid in this state.

35           (b) The person has not ever been issued a valid driver license or  
36 permit by this state and the person does not produce evidence of ever having  
37 a valid driver license or permit issued by another jurisdiction. This  
38 ~~paragraph~~ SUBDIVISION does not apply to the operation of an implement of  
39 husbandry.

40           (c) The person is subject to an ignition interlock device requirement  
41 pursuant to chapter 4 of this title and the person is operating a vehicle  
42 without a functioning certified ignition interlock device. This ~~paragraph~~  
43 SUBDIVISION does not apply to the operation of a vehicle due to a substantial  
44 emergency as defined in section 28-1464.

1 (d) In furtherance of the illegal presence of an alien in the United  
2 States and in violation of a criminal offense, the person is transporting or  
3 moving or attempting to transport or move an alien in this state in a vehicle  
4 if the person knows or recklessly disregards the fact that the alien has come  
5 to, has entered or remains in the United States in violation of law.

6 (e) The person is concealing, harboring or shielding or attempting to  
7 conceal, harbor or shield from detection an alien in this state in a vehicle  
8 if the person knows or recklessly disregards the fact that the alien has come  
9 to, entered or remains in the United States in violation of law.

10 2. ~~A~~ THE vehicle is displayed for sale or for transfer of ownership  
11 with a vehicle identification number that has been destroyed, removed,  
12 covered, altered or defaced.

13 B. A peace officer shall cause the removal and impoundment of a  
14 vehicle if the peace officer determines that a person is driving the vehicle  
15 and if all of the following apply:

16 1. The person's driving privilege is canceled, suspended or revoked  
17 for any reason or the person has not ever been issued a driver license or  
18 permit by this state and the person does not produce evidence of ever having  
19 a driver license or permit issued by another jurisdiction.

20 2. The person is not in compliance with the financial responsibility  
21 requirements of chapter 9, article 4 of this title.

22 3. The person is driving a vehicle that is involved in an accident  
23 that results in either property damage or injury to or death of another  
24 person.

25 C. Except as provided in subsection D of this section, while a peace  
26 officer has control of the vehicle the peace officer shall cause the removal  
27 and either immobilization or impoundment of the vehicle if the peace officer  
28 has probable cause to arrest the driver of the vehicle for a violation of  
29 section 4-244, paragraph 34 or section 28-1382 or 28-1383.

30 D. A peace officer shall not cause the removal and either the  
31 immobilization or impoundment of a vehicle pursuant to subsection C of this  
32 section if all of the following apply:

33 1. The peace officer determines that the vehicle is currently  
34 registered and that the driver or the vehicle is in compliance with the  
35 financial responsibility requirements of chapter 9, article 4 of this title.

36 2. The spouse of the driver is with the driver at the time of the  
37 arrest.

38 3. The peace officer has reasonable grounds to believe that the spouse  
39 of the driver:

40 (a) Has a valid driver license.

41 (b) Is not impaired by intoxicating liquor, any drug, a vapor  
42 releasing substance containing a toxic substance or any combination of  
43 liquor, drugs or vapor releasing substances.

44 (c) Does not have any spirituous liquor in the spouse's body if the  
45 spouse is under twenty-one years of age.

1           4. The spouse notifies the peace officer that the spouse will drive  
2 the vehicle from the place of arrest to the driver's home or other place of  
3 safety.

4           5. The spouse drives the vehicle as prescribed by paragraph 4 of this  
5 subsection.

6           E. Except as otherwise provided in this article, a vehicle that is  
7 removed and either immobilized or impounded pursuant to subsection A, B or C  
8 of this section shall be immobilized or impounded for thirty days. An  
9 insurance company does not have a duty to pay any benefits for charges or  
10 fees for immobilization or impoundment.

11           F. The owner of a vehicle that is removed and either immobilized or  
12 impounded pursuant to subsection A, B or C of this section, the spouse of the  
13 owner and each person ~~identified on the department's record with an~~ WHO HAS  
14 PROVIDED THE DEPARTMENT WITH INDICIA OF OWNERSHIP AS PRESCRIBED IN SECTION  
15 28-3514 OR OTHER interest in the vehicle THAT EXISTS immediately before the  
16 immobilization or impoundment shall be provided with an opportunity for an  
17 immobilization or poststorage hearing pursuant to section 28-3514.

18           G. A law enforcement agency that employs the peace officer who removes  
19 and either immobilizes or impounds a vehicle pursuant to this section shall  
20 enter information about the removal and either immobilization or impoundment  
21 of the vehicle in the Arizona crime information center database within three  
22 business days after the removal and either immobilization or impoundment.

23           Sec. 34. Section 28-3512, Arizona Revised Statutes, is amended to  
24 read:

25           28-3512. Release of vehicle; civil penalties; definition

26           A. An immobilizing or impounding agency shall release a vehicle to the  
27 registered owner before the end of the thirty day immobilization or  
28 impoundment period under any of the following circumstances:

29           1. If the vehicle is a stolen vehicle.

30           2. If the vehicle is subject to bailment and is driven by an employee  
31 of a business establishment, including a parking service or repair garage,  
32 who is subject to section 28-3511, subsection A, B or C.

33           3. If the owner was operating the vehicle at the time of removal and  
34 either immobilization or impoundment and presents proof satisfactory to the  
35 immobilizing or impounding agency that the owner's driving privilege has been  
36 reinstated.

37           4. If all of the following apply:

38           (a) The owner or the owner's agent was not the person driving the  
39 vehicle pursuant to section 28-3511, subsection A.

40           (b) The owner or the owner's agent is in the business of renting motor  
41 vehicles without drivers.

42           (c) The vehicle is registered pursuant to section 28-2166.

43           (d) There was a rental agreement in effect at the time of the  
44 immobilization or impoundment.

1           5. For the spouse of the owner or any person who is identified as an  
2 owner of the vehicle on the records of the department at the time of removal  
3 and either immobilization or impoundment, if the spouse or person was not the  
4 driver of the vehicle at the time of removal and either immobilization or  
5 impoundment and the spouse or person enters into an agreement with the  
6 immobilizing or impounding agency that stipulates that if the spouse or  
7 person allows a driver who does not have a valid driving privilege or a  
8 driver who commits a violation that causes the spouse's or person's vehicle  
9 to be removed and either immobilized or impounded pursuant to this article  
10 within one year after any agreement is signed by an immobilizing or  
11 impounding agency, the spouse or person will not be eligible to obtain  
12 release of the spouse's or person's vehicle before the end of the thirty day  
13 immobilization or impoundment period.

14           6. IF THE VEHICLE IS OWNED BY A MOTOR VEHICLE DEALER AND IS DRIVEN BY  
15 A CUSTOMER, POTENTIAL CUSTOMER OR EMPLOYEE OF THE MOTOR VEHICLE DEALER AND  
16 THE MOTOR VEHICLE DEALER HAS PROVIDED TO THE IMMOBILIZING OR IMPOUNDING  
17 AGENCY INDICIA OF THE MOTOR VEHICLE DEALER'S OWNERSHIP OF THE VEHICLE,  
18 INCLUDING A CERTIFICATE OF TITLE OR A MANUFACTURER-ISSUED CERTIFICATE OR  
19 STATEMENT OF ORIGIN.

20           B. A vehicle shall not be released pursuant to subsection A of this  
21 section except pursuant to an immobilization or a poststorage hearing under  
22 section 28-3514 or if all of the following are presented to the immobilizing  
23 or impounding agency:

24           1. The owner's or owner's spouse's currently valid driver license  
25 issued by this state or the owner's or owner's spouse's state of domicile.

26           2. Proof of current vehicle registration or a valid salvage or  
27 dismantle certificate of title.

28           3. Proof that the vehicle is in compliance with the financial  
29 responsibility requirements of chapter 9, article 4 of this title.

30           4. If the person is required by the department to install a certified  
31 ignition interlock device on the vehicle, proof of installation of a  
32 functioning certified ignition interlock device in the vehicle. The  
33 impounding agency, storage yard, facility, person or agency having physical  
34 possession of the vehicle shall allow access during normal business hours to  
35 the impounded vehicle for the purpose of installing a certified ignition  
36 interlock device. The impounding agency, storage yard, facility, person or  
37 agency having physical possession of the vehicle shall not charge any fee or  
38 require compensation for providing access to the vehicle or for the  
39 installation of the certified ignition interlock device.

40           C. The owner or the owner's spouse if the vehicle is released to the  
41 owner's spouse is responsible for paying all immobilization, towing and  
42 storage charges related to the immobilization or impoundment of the vehicle  
43 and any administrative charges established pursuant to section 28-3513,  
44 unless the vehicle is stolen and the theft was reported to the appropriate  
45 law enforcement agency. If the vehicle is stolen and the theft was reported

1 to the appropriate law enforcement agency, the operator of the vehicle at the  
2 time of immobilization or impoundment is responsible for all immobilization,  
3 towing, storage and administrative charges.

4 D. Before the end of the thirty day immobilization or impoundment  
5 period, the immobilizing or impounding agency shall release a vehicle to a  
6 person, other than the owner, identified on the department's record as having  
7 an interest in the vehicle immediately before the immobilization or  
8 impoundment if all of the following conditions are met:

9 1. The person is either of the following:

10 (a) In the business of renting motor vehicles without drivers and the  
11 vehicle is registered pursuant to section 28-2166.

12 (b) A motor vehicle dealer, bank, credit union or acceptance  
13 corporation or any other licensed financial institution legally operating in  
14 this state or is another person who is not the owner and who holds a security  
15 interest in the vehicle immediately before the immobilization or impoundment.

16 2. The person pays all immobilization, towing and storage charges  
17 related to the immobilization or impoundment of the vehicle and any  
18 administrative charges established pursuant to section 28-3513 unless the  
19 vehicle is stolen and the theft was reported to the appropriate law  
20 enforcement agency. If the vehicle is stolen and the theft was reported to  
21 the appropriate law enforcement agency, the operator of the vehicle at the  
22 time of immobilization or impoundment is responsible for all immobilization,  
23 towing, storage and administrative charges.

24 3. The person presents foreclosure documents or an affidavit of  
25 repossession of the vehicle.

26 4. The person requesting release of the vehicle was not the person  
27 driving the vehicle at the time of removal and immobilization or impoundment.

28 E. Before a person described in subsection D of this section releases  
29 the vehicle to the owner who was operating the vehicle at the time of removal  
30 and immobilization or impoundment, the person described in subsection D of  
31 this section shall require the owner to present and shall retain for a period  
32 of at least three years from the date of releasing the vehicle a copy of all  
33 of the following:

34 1. A driver license issued by this state or the owner's or owner's  
35 agent's state of domicile.

36 2. A current vehicle registration or a valid salvage or dismantle  
37 certificate of title.

38 3. Evidence that the vehicle is in compliance with the financial  
39 responsibility requirements of chapter 9, article 4 of this title.

40 F. The person described in subsection D of this section may require  
41 the owner to pay charges that the person incurred in connection with  
42 obtaining custody of the vehicle, including all immobilization, towing and  
43 storage charges that are related to the immobilization or impoundment of the  
44 vehicle and any administrative charges that are established pursuant to  
45 section 28-3513.



1 G. A vehicle shall not be released after the end of the thirty day  
2 immobilization or impoundment period unless the owner or owner's agent  
3 presents all of the following to the impounding or immobilizing agency:

4 1. A valid driver license issued by this state or by the owner's or  
5 owner's agent's state of domicile.

6 2. A current vehicle registration or a valid salvage or dismantle  
7 certificate of title.

8 3. Evidence that the vehicle is in compliance with the financial  
9 responsibility requirements of chapter 9, article 4 of this title.

10 4. If the person is required by the department to install a certified  
11 ignition interlock device on the vehicle, proof of installation of a  
12 functioning certified ignition interlock device in the vehicle. The  
13 impounding agency, storage yard, facility, person or agency having physical  
14 possession of the vehicle shall allow access during normal business hours to  
15 the impounded vehicle for the purpose of installing a certified ignition  
16 interlock device. The impounding agency, storage yard, facility, person or  
17 agency having physical possession of the vehicle shall not charge any fee or  
18 require compensation for providing access to the vehicle or for the  
19 installation of the certified ignition interlock device.

20 H. The storage charges relating to the impoundment of a vehicle  
21 pursuant to this section shall be subject to a contractual agreement between  
22 the impounding agency and a towing firm for storage services pursuant to  
23 section 41-1830.51 and shall be fifteen dollars for each day of storage,  
24 including any time the vehicle remains in storage after the end of the thirty  
25 day impoundment period.

26 I. The immobilizing or impounding agency shall have no lien or  
27 possessory interest in a stolen vehicle if the theft was reported to the  
28 appropriate law enforcement agency. The immobilizing or impounding agency  
29 shall release the vehicle to the owner or person other than the owner as  
30 identified in subsection D of this section even if the operator at the time  
31 of immobilization or impoundment has not paid all immobilization, towing,  
32 storage and administrative charges.

33 J. A person who enters into an agreement pursuant to subsection A,  
34 paragraph 5 of this section and who allows another person to operate the  
35 vehicle in violation of the agreement is responsible for a civil traffic  
36 violation and shall pay a civil penalty of at least two hundred fifty  
37 dollars.

38 K. A person described in subsection D, paragraph 1 of this section who  
39 violates subsection E of this section is responsible for a civil traffic  
40 violation and shall pay a civil penalty of at least two hundred fifty  
41 dollars.

42 L. For the purposes of this section, "certified ignition interlock  
43 device" has the same meaning prescribed in section 28-1301.

1           Sec. 35. Section 28-3514, Arizona Revised Statutes, is amended to  
2 read:

3           28-3514. Hearings; notice of immobilization or storage;  
4                                   definition

5           A. If a peace officer removes and either immobilizes or impounds a  
6 vehicle pursuant to section 28-3511, the immobilizing or impounding agency  
7 may provide the owner, the spouse of the owner and any other person  
8 ~~identified on the department's record as having an~~ PROVIDING INDICIA OF  
9 OWNERSHIP OR OTHER interest in the vehicle immediately before the  
10 immobilization or impoundment with the opportunity for an immobilization or  
11 poststorage hearing to determine the validity of the immobilization or  
12 storage or consider any mitigating circumstances relating to the  
13 immobilization or storage or release of the vehicle before the end of the  
14 thirty day immobilization or impoundment period. If the immobilizing or  
15 impounding agency provides the opportunity for an immobilization or  
16 poststorage hearing, the immobilizing or impounding agency shall conduct the  
17 hearing in accordance with any of the following:

- 18           1. In the immobilizing or impounding agency's jurisdiction.
- 19           2. Telephonically.

20           3. Pursuant to procedures prescribed by the immobilizing or impounding  
21 agency to transfer the authority to conduct the immobilization or poststorage  
22 hearing to a law enforcement agency in the jurisdiction in which the owner,  
23 the spouse of the owner, the owner's agent or any person identified in the  
24 department's record as having an interest in the vehicle immediately before  
25 the immobilization or impoundment resides.

26           B. If the immobilizing or impounding agency does not provide an  
27 opportunity for an immobilization or poststorage hearing, a justice court  
28 shall conduct the immobilization or poststorage hearing. If an  
29 immobilization or poststorage hearing is conducted by a justice court, the  
30 immobilizing or impounding agency shall appear and show evidence.  
31 Immobilization or poststorage hearings conducted by a justice court shall be  
32 considered as civil filings for the purposes of judicial productivity  
33 credits.

34           C. Within three business days after immobilization or impoundment,  
35 excluding weekends and holidays, the immobilizing or impounding agency shall  
36 send a notice of storage by first class mail to each person, other than the  
37 owner, identified on the department's record as having an interest in the  
38 vehicle OR WHO HAS PROVIDED THE DEPARTMENT WITH INDICIA OF OWNERSHIP OR OTHER  
39 INTEREST IN THE VEHICLE THAT EXISTS immediately before the immobilization or  
40 impoundment. Service of notice of immobilization or storage is complete on  
41 mailing. If within three business days after immobilization or impoundment,  
42 excluding weekends and holidays, the immobilizing or impounding agency fails  
43 to notify a person, other than the owner, identified on the department's  
44 record as having an interest in the vehicle immediately before the  
45 immobilization or impoundment, the immobilizing agency or the person in

1 possession of the vehicle shall not charge any administrative fees or more  
2 than fifteen days' immobilization or impoundment when the person redeems the  
3 impounded vehicle or has the immobilization device removed from the vehicle.

4 D. Within three business days after immobilization or impoundment,  
5 excluding weekends and holidays, the immobilizing or impounding agency shall  
6 mail or personally deliver notice of immobilization or storage to the owner  
7 of the vehicle.

8 E. The notice of immobilization or storage shall include all of the  
9 following information:

10 1. A statement that the vehicle was immobilized or impounded.

11 2. The name, address and telephone number of the immobilizing or  
12 impounding agency providing the notice.

13 3. The name, address and telephone number of the immobilizing or  
14 impounding agency or justice court that will provide the immobilization or  
15 poststorage hearing.

16 4. The location of the place of storage and a description of the  
17 vehicle, including, if available, the manufacturer, model, license plate  
18 number and mileage of the vehicle.

19 5. A statement that in order to receive an immobilization or  
20 poststorage hearing the owner, the spouse of the owner, the owner's agent or  
21 the person identified in the department's record as having an interest in the  
22 vehicle immediately before the immobilization or impoundment, within ten days  
23 after the date on the notice, shall request an immobilization or poststorage  
24 hearing by contacting the immobilizing or impounding agency in person or in  
25 writing or by filing a request with the justice court if the impounding  
26 agency does not provide for a hearing and paying a fee equal to the fee  
27 established pursuant to section 22-281 for a small claims answer.

28 6. A statement that if the immobilizing or impounding agency does not  
29 provide the opportunity for an immobilization or poststorage hearing, the  
30 owner, the spouse of the owner, the owner's agent or any person identified in  
31 the department's record as having an interest in the vehicle **OR A PERSON WHO**  
32 **HAS PROVIDED THE DEPARTMENT WITH INDICIA OF OWNERSHIP OR OTHER INTEREST IN**  
33 **THE VEHICLE THAT EXISTS** immediately before the immobilization or impoundment  
34 may request that the immobilization or poststorage hearing be conducted by a  
35 justice court in the immobilizing or impounding agency's jurisdiction or the  
36 jurisdiction in which the owner, the spouse of the owner, the owner's agent  
37 or the person identified in the department's record as having an interest in  
38 the vehicle immediately before the immobilization or impoundment resides.

39 F. The immobilization or poststorage hearing shall be conducted by the  
40 immobilizing or impounding agency or justice court within five business days,  
41 excluding weekends and holidays, after receipt of the request.

42 G. Failure of the owner, the spouse of the owner or other person or  
43 the other person's agent to request an immobilization or poststorage hearing  
44 within ten days after the date on the notice prescribed in subsection E of

1 this section or to attend a scheduled hearing satisfies the immobilization or  
2 poststorage hearing requirement.

3 H. The immobilizing or impounding agency employing the person who  
4 directed the immobilization or storage is responsible for the costs incurred  
5 for immobilization, towing and storage if it is determined in the  
6 immobilization or poststorage hearing that reasonable grounds for the  
7 immobilization or impoundment and storage are not established.

8 I. In compliance with the requirements of this section, the vehicle  
9 owner, the vehicle owner's spouse or another person ~~having~~ WHO HAS an  
10 interest in the vehicle OR WHO HAS PROVIDED THE DEPARTMENT WITH INDICIA OF  
11 OWNERSHIP OR OTHER INTEREST IN THE VEHICLE THAT EXISTS immediately before the  
12 immobilization or impoundment shall have an opportunity for a single  
13 poststorage hearing for the release of the vehicle by either the immobilizing  
14 or impounding agency or a justice court but not both.

15 J. FOR THE PURPOSES OF THIS SECTION, "INDICIA OF OWNERSHIP" INCLUDES A  
16 CERTIFICATE OF TITLE, A MANUFACTURER-ISSUED CERTIFICATE OR A STATEMENT OF  
17 ORIGIN OR OTHER SIMILAR DOCUMENT.

18 Sec. 36. Section 28-4335, Arizona Revised Statutes, is amended to  
19 read:

20 28-4335. Wholesale motor vehicle dealer or broker

21 A. A wholesale motor vehicle dealer or a broker:

22 1. Is required to be licensed pursuant to this chapter AND TO BE A  
23 LEGAL RESIDENT OF THIS STATE.

24 2. Is not required to operate from an established place of business.

25 3. Shall maintain a place of business in which records of the business  
26 are kept.

27 B. If the licensee is a broker, the principal place of business shall  
28 not be a location that is zoned for residential use.

29 Sec. 37. Section 28-4361, Arizona Revised Statutes, is amended to  
30 read:

31 28-4361. License application; criminal records check

32 A. A person shall apply for a license to the director in writing on  
33 forms prescribed by the director. The person shall include with the  
34 application all documents and bonds required and the annual license fees  
35 prescribed by section 28-4302.

36 B. The application shall be verified and shall contain:

37 1. The name and residence of either:

38 (a) The applicant.

39 (b) If the applicant is a partnership, each partner.

40 (c) If the applicant is a corporation, each principal officer,  
41 director, agent or stockholder who owns twenty ~~per-cent~~ PERCENT or more of  
42 the corporation and the name of the state in which the corporation was  
43 organized.

44 2. The principal place of business of the applicant.

1           3. The established place of business or the place of business at or  
2 from which the applicant will conduct the business.

3           4. The make or makes of new motor vehicles, if any, that the applicant  
4 will sell or offer for sale in this state.

5           5. The business hours of the applicant.

6           6. Other information that the director requires.

7           C. Each applicant who owns twenty ~~per-cent~~ PERCENT or more of an  
8 entity, and each partner or stockholder who owns twenty ~~per-cent~~ PERCENT or  
9 more of an entity, and who seeks a new license shall provide:

10           1. A full set of fingerprints to the department OF TRANSPORTATION for  
11 the purpose of obtaining a state and federal criminal records check pursuant  
12 to section 41-1750 and Public Law 92-544. The department of public safety  
13 may exchange this fingerprint data with the federal bureau of investigation.

14           2. A nonrefundable fee to be paid to the department of public safety  
15 for the criminal records check.

16           D. If a licensee adds or changes a partner or stockholder who owns  
17 twenty ~~per-cent~~ PERCENT or more of the entity and who was not included in the  
18 criminal records check on a prior application, the licensee shall notify the  
19 department within thirty days of the change. At the time of notification, an  
20 application and, if applicable, a full set of fingerprints and the fee for a  
21 criminal records check shall be submitted to the department. If any  
22 individual who is added or changed by the licensee is found to be ineligible  
23 pursuant to section 28-4365, the director, on completion of the criminal  
24 records check, shall advise the licensee and the individual in writing that  
25 the license will be revoked, unless the individual is removed from the  
26 position, and of the grounds for the action.

27           E. The requirement for a criminal records check:

28           1. Does not apply to a manufacturer, importer, factory branch or  
29 distributor or a person who is under eighteen years of age on the date the  
30 application is filed with the department.

31           2. May not apply if the application is for a subsequent license and  
32 each applicant who owns twenty ~~per-cent~~ PERCENT or more of an entity, and  
33 each partner or stockholder who owns twenty ~~per-cent~~ PERCENT or more of an  
34 entity, either:

35           (a) Have submitted to a criminal records check during the past five  
36 years.

37           (b) Are currently licensed under this section.

38           3. DOES NOT APPLY TO A NEW MOTOR VEHICLE DEALER.

39           F. THE DIRECTOR MAY ESTABLISH EDUCATION AND TRAINING FOR A PERSON  
40 APPLYING FOR AN INITIAL OR A RENEWAL OF A USED MOTOR VEHICLE DEALER OR  
41 WHOLESALE MOTOR VEHICLE DEALER LICENSE PURSUANT TO THIS SECTION. THE  
42 DIRECTOR MAY CONTRACT WITH A PRIVATE ENTITY TO PROVIDE THE EDUCATION AND  
43 TRAINING ESTABLISHED UNDER THIS SUBSECTION. THE PRIVATE ENTITY THAT  
44 CONTRACTS WITH THE DIRECTOR PURSUANT TO THIS SUBSECTION MAY CHARGE A FEE FOR  
45 THE EDUCATION AND TRAINING.

1           Sec. 38. Section 28-4403, Arizona Revised Statutes, is amended to  
2 read:

3           28-4403. Record requirements; motor vehicle information;  
4                                   inspection; liability; electronic submission

5           A. A licensee shall keep and maintain at the licensee's established  
6 place of business, or place of business if the licensee is a broker or a  
7 wholesale motor vehicle dealer, a permanent record in the form prescribed by  
8 the director containing:

9           1. A particular description of each motor vehicle of a type subject to  
10 registration under the laws of this state that is bought, sold, brokered or  
11 exchanged by the licensee or received or accepted by the licensee for sale,  
12 brokering or exchange.

13           2. A particular description of each used motor vehicle body or chassis  
14 that is sold or otherwise disposed of.

15           3. A particular description of each motor vehicle that is bought or  
16 otherwise acquired and wrecked by the licensee.

17           4. The name and address of the person from whom a motor vehicle, motor  
18 vehicle body or motor vehicle chassis was purchased or otherwise acquired and  
19 the date it was purchased or acquired.

20           5. The name and address of the person to whom the motor vehicle, motor  
21 vehicle body or motor vehicle chassis was sold or otherwise disposed of, the  
22 date it was sold or disposed of and a sufficient description of the vehicle,  
23 body or chassis by name or identifying number or otherwise to identify it.

24           B. A licensed automotive recycler that has a vehicle in the automotive  
25 recycler's inventory shall:

26           1. At the same time have possession of a duly and regularly assigned  
27 salvage certificate of title, nonrepairable vehicle certificate of title or  
28 dismantle certificate of title to the vehicle.

29           2. Not offer for sale or sell a vehicle unless a salvage certificate  
30 of title, nonrepairable vehicle certificate of title or dismantle certificate  
31 of title to the vehicle has been obtained.

32           C. Each motor vehicle dealer shall give the customer a written  
33 contract and shall maintain a copy of the contract for three years at the  
34 dealer's established place of business.

35           D. Each record required by this section and all inventories relating  
36 to the records of a licensee shall be available at all times for physical  
37 inspection by agents of the department or members of the highway patrol  
38 division. The agents or members may enter on premises where the records or  
39 inventories are located during normal business hours for purposes of the  
40 inspection. The licensee or any designated employee or agent may accompany  
41 any person making the inspection while the person is on the licensee's  
42 premises.

43           E. The licensee is only liable to a person making an inspection under  
44 this section for an injury arising out of the condition of the premises that  
45 occurs while the person is on the licensee's premises if the licensee

1 knowingly allows the person to encounter a hidden peril or wantonly or  
2 wilfully causes the person harm.

3 F. ~~Beginning January 1, 2014,~~ A wholesale motor vehicle dealer shall  
4 submit electronically to the department any documents that are requested by  
5 the department during the wholesale motor vehicle dealer's reported business  
6 hours and that are prescribed in this section. The wholesale motor vehicle  
7 dealer shall submit the requested documents within forty-eight hours after  
8 the request is transmitted.

9 Sec. 39. Section 28-4409, Arizona Revised Statutes, is amended to  
10 read:

11 28-4409. Evidence of ownership requirement; exception

12 A. Except as provided in section 28-4410:

13 1. Each dealer in motor vehicles, trailers and semitrailers, including  
14 manufacturers who sell to other than dealers, having possession of **OR**  
15 **OFFERING FOR SALE** a motor vehicle, trailer or semitrailer shall have at the  
16 same time either:

17 (a) Possession of a duly and regularly assigned certificate of title  
18 to the vehicle.

19 (b) Reasonable indicia of ownership or right of possession as ~~provided~~  
20 ~~in section 28-4410~~ **APPROVED BY THE DIRECTOR**.

21 2. A dealer or manufacturer shall not offer for sale or sell a motor  
22 vehicle, trailer or semitrailer until the dealer or manufacturer has obtained  
23 a certificate of title to the motor vehicle, trailer or semitrailer, except  
24 that a certificate of title is not required for a new motor vehicle sold by  
25 manufacturers to dealers.

26 B. A wholesale motor vehicle auction dealer is exempt from the  
27 requirement of having to possess a duly and regularly assigned certificate of  
28 title and from other requirements relating to the reassignment of **CERTIFICATE**  
29 **OF** title documents and disclosures to buyers. A wholesale motor vehicle  
30 auction dealer may buy or sell a motor vehicle at wholesale in the wholesale  
31 motor vehicle auction dealer's own name if the wholesale motor vehicle  
32 auction dealer complies with the provisions of this title relating to  
33 certificates of title, reassignments of **CERTIFICATE OF** title documents and  
34 disclosures to buyers.

35 C. A wholesale motor vehicle dealer must **APPLY FOR A CERTIFICATE OF**  
36 title in the name of the wholesale motor vehicle dealer any vehicle that the  
37 wholesale motor vehicle dealer acquires before the wholesale motor vehicle  
38 dealer transfers the vehicle to another licensed motor vehicle dealer.

39 Sec. 40. Section 28-4410, Arizona Revised Statutes, is amended to  
40 read:

41 28-4410. Consignment contracts; definitions

42 A. A dealer in motor vehicles, trailers and semitrailers may possess  
43 and offer for sale a motor vehicle, trailer or semitrailer without having a  
44 duly or regularly assigned certificate of title **OR TITLE TRANSFER FORM** in the  
45 dealer's possession if the dealer possesses all of the following:

- 1 1. A consignment contract or dealer acquisition contract.
- 2 2. The most recent registration card for the vehicle.
- 3 3. A statement by the lienholder disclosing all unsatisfied liens, if
- 4 applicable.

5 B. A dealer may complete the sale of a motor vehicle, trailer or  
6 semitrailer offered for sale under subsection A of this section when the  
7 dealer possesses verification that all liens on the motor vehicle, trailer or  
8 semitrailer have been satisfied by the dealer or assumed by the purchaser.

9 C. A dealer who offers a vehicle for sale on consignment shall inform  
10 a prospective customer that the vehicle is on consignment to the dealer.

11 D. The director shall adopt rules on the minimum form and content of  
12 consignment contracts and dealer acquisition contracts.

13 E. This chapter does not allow the consignment of motor vehicles from  
14 one licensee to another licensee.

15 F. A dealer in motor vehicles, trailers or semitrailers may offer for  
16 sale or sell a motor vehicle, trailer or semitrailer without having a duly or  
17 regularly assigned certificate of title in the dealer's possession if the  
18 dealer possesses a complete photocopy of the duly or regularly assigned  
19 certificate of title, the original of which has been delivered to a financial  
20 institution or a subsidiary of the financial institution pursuant to an  
21 inventory financing arrangement.

22 G. For the purposes of this section:

23 1. "Consignment contract" means an agreement executed by both the  
24 owner of a vehicle and a licensed motor vehicle dealer pursuant to which the  
25 vehicle is delivered to the dealer to sell for the owner.

26 2. "Dealer acquisition contract" means an agreement that both:

27 (a) Is executed by both the owner of a vehicle, the **CERTIFICATE OF**  
28 title for which is in possession of a lienholder in accordance with the laws  
29 of this state or another state, and a licensed motor vehicle dealer.

30 (b) Transfers ownership of the vehicle described in subdivision (a) **OF**  
31 **THIS PARAGRAPH** to a licensed dealer from a person other than a manufacturer,  
32 distributor, franchisor or dealer.

33 3. "Inventory financing arrangement" means an agreement under which a  
34 dealer grants a security interest to a financial institution under the  
35 provisions of title 47, chapter 9.

36 Sec. 41. Section 28-4412, Arizona Revised Statutes, is amended to  
37 read:

38 **28-4412. Guaranty disclosure; used motor vehicles; definition**

39 A. Before the consummation of the sale of a used motor vehicle, a  
40 motor vehicle dealer shall:

41 1. Provide each purchaser with a written statement that:

42 (a) Indicates whether or not an express warranty or guaranty is  
43 associated with the used motor vehicle.



1 (b) Is distinguished from the body of the sales agreement through the  
2 use of either bold-faced type or bold-faced type of a color other than that  
3 used in the body of the agreement.

4 (c) States "as is — not expressly warranted or guaranteed", if the  
5 used motor vehicle to be sold is not expressly warranted or guaranteed.

6 (d) Explicitly states the nature and extent of the express warranty or  
7 guaranty, if the used motor vehicle to be sold is expressly warranted or  
8 guaranteed.

9 (e) States "as is — not guaranteed to pass vehicle emissions  
10 inspection. Vehicle not eligible for certificate of waiver and must be  
11 repaired to meet emissions standards", if the used motor vehicle is a  
12 disabled vehicle that is offered for sale at a wholesale public auction with  
13 an auctioneer who is a licensed used motor vehicle dealer and if the vehicle  
14 does not comply with the requirements prescribed in section 49-542.

15 2. Direct the purchaser's attention to the written statement.

16 B. This section does not negate any implied warranties otherwise  
17 applicable to the sale of a used motor vehicle, including the implied  
18 warranty of merchantability described in section 44-1267.

19 ~~C. Before the seller attempts to sell a motor vehicle the seller shall~~  
20 ~~possess the title to the motor vehicle and the title shall be in the seller's~~  
21 ~~name.~~

22 ~~D.~~ C. Notwithstanding any other provision of this section or title  
23 12, chapter 6, article 9, a motor vehicle dealer that sells a used motor  
24 vehicle to another motor vehicle dealer or for the sole purpose of being  
25 legally destroyed or dismantled does not have a duty to inspect a used motor  
26 vehicle for defects or damage before the sale. This subsection does not  
27 negate any duties owed by a licensed motor vehicle dealer to its retail  
28 customers.

29 ~~E.~~ D. For the purposes of this section, "disabled vehicle" means a  
30 motor vehicle that cannot operate on its own motive power.

31 Sec. 42. Section 28-4421, Arizona Revised Statutes, is amended to  
32 read:

33 28-4421. Selling dealer's duties

34 A. For purposes of **ISSUING A CERTIFICATE OF** title, registration,  
35 warranties, rebates and incentives in a brokered sale of a new motor vehicle  
36 to a retail consumer, the selling new motor vehicle dealer and not the broker  
37 is responsible for:

38 1. Applying for **A CERTIFICATE OF** title in the name of the purchaser  
39 and securing vehicle registration and the license plates for the purchaser.

40 2. Securing the manufacturer's warranty in the name of the purchaser.

41 3. Making all applications for any manufacturer's rebates and  
42 incentives due the purchaser.

43 B. If there is a manufacturer's recall, the retail consumer shall be  
44 notified directly by the manufacturer.



1 (b) If the wholesale motor vehicle dealer does not submit the evidence  
2 prescribed in subdivision (a) of this paragraph, the department shall cancel  
3 the dealer license plates issued to the wholesale motor vehicle dealer.

4 (c) The department shall not issue more than ten dealer license plates  
5 to a wholesale motor vehicle dealer pursuant to this paragraph.

6 C. The department, on granting the application, shall issue to the  
7 applicant a certificate containing the applicant's name and address and the  
8 general distinguishing number assigned to the applicant and the dealer  
9 license plates for which the applicant applied on payment of the fee provided  
10 in this section.

11 D. The fee for each license plate or pair of license plates issued to  
12 a dealer is:

13 1. Thirty dollars, if the dealer is not a motorcycle dealer.

14 2. Ten dollars, if the dealer is a motorcycle dealer.

15 E. The director may recall, redesign and reissue dealer license plates  
16 pursuant to this article. The plate or pair of plates issued shall contain a  
17 number or symbol distinguishing them from every other plate or pair of plates  
18 issued to the same dealer. The director shall not allow a request for dealer  
19 license plates to be combined with a request for a personalized special plate  
20 issued pursuant to section 28-2406. Reissued dealer license plates shall be  
21 distributed as determined by the director.

22 F. The right to use a dealer license plate issued terminates at  
23 midnight on the last day of the month in which the plate fees are due unless  
24 the plate fees for the following year are paid.

25 G. A dealer who applies for and obtains dealer license plates shall  
26 comply with chapter 9 of this title.

27 Sec. 45. Section 28-4547, Arizona Revised Statutes, is amended to  
28 read:

29 28-4547. Requirements for temporary registration plates

30 A. A dealer shall not:

31 1. Issue, assign or deliver temporary registration plates to anyone  
32 other than a bona fide purchaser of a vehicle that is not registered for the  
33 current year.

34 2. Issue temporary registration plates unless the purchaser files an  
35 application for a certificate of title and an application for annual  
36 registration of the vehicle before or at the time the plates are issued.

37 3. Issue temporary registration plates unless the application for a  
38 certificate of title is accompanied by either a manufacturer's certificate of  
39 origin properly assigned by a licensed new motor vehicle dealer, ~~or~~ a  
40 properly signed certificate of title **OR A TITLE TRANSFER FORM**.

41 B. The dealer, as the agent of the purchaser, shall forward the  
42 application for a certificate of title, the application for registration and  
43 the prescribed fees for both applications to the department.

1           Sec. 46. Section 28-4594, Arizona Revised Statutes, is amended to  
2 read:

3           28-4594. Altered serial or identification number; contraband;  
4                                   seizure; disposition

5           A. Except if a manufacturer's serial or identification number of a  
6 motor vehicle or major component part of a vehicle is removed, defaced,  
7 altered or destroyed with the permission of the department or if a special  
8 serial or identifying number issued by the department has been properly  
9 affixed to a vehicle pursuant to section 28-2165, a motor vehicle or major  
10 component part of the vehicle that has had the manufacturer's or department's  
11 serial or identification number removed, defaced, altered or destroyed and a  
12 serial or identification number so removed are contraband.

13           B. A law enforcement agency shall both:

14           1. Immediately seize and store the motor vehicle or major component  
15 part of a vehicle or serial or identification number that is contraband  
16 pursuant to subsection A of this section.

17           2. Attempt to restore the original manufacturer's serial or  
18 identification numbers on the item seized as follows:

19           (a) If the original identification numbers can be permanently restored  
20 and the last owner as identified on official title records maintained by the  
21 vehicle registration agency of the state, country or territory in which the  
22 vehicle was last ~~titled~~ ISSUED A CERTIFICATE OF TITLE or the person or entity  
23 to which A CERTIFICATE OF title was assigned by the last owner as identified  
24 on official title records can be found, the law enforcement agency shall  
25 return the motor vehicle or major component part of a vehicle to the person  
26 or entity.

27           (b) If the original identification numbers can be temporarily restored  
28 and the last owner as identified on official title records maintained by the  
29 vehicle registration agency of the state, country or territory in which the  
30 vehicle was last ~~titled~~ ISSUED A CERTIFICATE OF TITLE or the person or entity  
31 to which A CERTIFICATE OF title was assigned by the last owner as identified  
32 on official title records can be found, the county attorney of the county in  
33 which the motor vehicle or major component part of a vehicle was seized or  
34 the attorney general, within sixty days after the date of seizure or such  
35 other reasonable time that is set by the court, shall file a petition or  
36 action in the superior court in the county in which the item was seized or in  
37 Maricopa county to forfeit the motor vehicle or major component part of a  
38 vehicle to this state for use or other appropriate disposition by the law  
39 enforcement agency that seized the item or for such other disposition as the  
40 state deems appropriate. The petition shall set forth probable cause that  
41 the item is contraband. A copy of the petition or notice of pending  
42 forfeiture shall be served as follows:

43           (i) On the person from whom the item was seized by certified mail to  
44 the person's last known address.

1 (ii) On the last owner and any lienholders or interest holders  
2 identified on official title records by certified mail to the names and  
3 addresses identified on official title records.

4 (iii) On any other known interest holders by certified mail to each  
5 holder's last known address.

6 (iv) By publication in one issue of a newspaper of general circulation  
7 in the county in which the property was seized.

8 (c) If the original identification numbers cannot be permanently or  
9 temporarily restored or the last owner as identified on official title  
10 records cannot be found, the county attorney in the county in which the motor  
11 vehicle or major component part of a vehicle was seized or the attorney  
12 general, within sixty days after the date of seizure or such other reasonable  
13 time as is set by the court, shall file a petition or action in the superior  
14 court in the county in which the item was seized or in Maricopa county to  
15 forfeit the motor vehicle or major component part of a vehicle to this state  
16 for use or other appropriate disposition by the law enforcement agency that  
17 seized the item or for such other disposition as the state deems appropriate.  
18 The petition shall set forth probable cause that the item is contraband. A  
19 copy of the petition or notice of pending forfeiture shall be served on the  
20 person from whom the item was seized by certified mail to the person's last  
21 known address.

22 C. If a verified claim is not filed within the time period provided in  
23 section 28-4595, subsection A, the court shall declare the seized item to be  
24 contraband and shall sign an order forfeiting the seized item to the state  
25 for use or other appropriate disposition by the law enforcement agency that  
26 seized the item or for other disposition as the state deems appropriate.

27 Sec. 47. Section 28-5101, Arizona Revised Statutes, is amended to  
28 read:

29 28-5101. Third party authorization

30 A. The director may authorize third parties to perform certain of the  
31 following functions:

- 32 1. Title and registration.
- 33 2. Motor carrier licensing and tax reporting.
- 34 3. Dealer licensing.
- 35 4. Driver licensing as prescribed in sections 28-5101.01, 28-5101.02  
36 and 28-5101.03.

37 B. The director may authorize a person to be a third party electronic  
38 service provider or, ~~beginning January 1, 2012,~~ to be a third party  
39 electronic service partner. An authorized third party electronic service  
40 provider shall meet all of the requirements established by the department.  
41 ~~Beginning January 1, 2012:~~

42 ~~1.~~ The written agreement between the department and the authorized  
43 third party electronic service provider may be for a limited number of  
44 services and may limit the persons that may receive the services.

1           ~~2.~~ An authorized third party electronic service partner shall meet the  
2 requirements established by the department and shall be selected through a  
3 competitive bid process.

4           C. A person shall not engage in any business pursuant to this article  
5 unless the director authorizes the person to engage in the business.

6           D. The director may furnish necessary documents or license plates  
7 subject to this article.

8           E. Except as provided in subsection F of this section, an authorized  
9 third party or an authorized third party electronic service provider shall  
10 submit to the department all statutorily prescribed fees and taxes it  
11 collects. In addition to the statutorily prescribed fees and taxes, an  
12 authorized third party or an authorized third party electronic service  
13 provider may collect and retain a reasonable and commensurate fee for its  
14 services.

15           F. In addition to payment pursuant to section 28-374, the department  
16 shall reimburse the authorized third party or third party electronic service  
17 provider as follows:

18           1. One dollar of each initial, renewal, replacement or duplicate  
19 registration fee for a vehicle or an aircraft.

20           2. One dollar of each initial, duplicate or transfer **CERTIFICATE OF**  
21 title fee for a vehicle or an aircraft.

22           3. An amount equal to two ~~per-cent~~ **PERCENT** of each vehicle license tax  
23 payment or aircraft license tax payment the authorized third party collects  
24 and submits to the department or four dollars for each registration year or  
25 part of a registration year, whichever is more. The reimbursement amount  
26 shall not exceed the amount of vehicle license tax or aircraft license tax  
27 collected.

28           4. Four dollars for each initial, renewal, replacement or duplicate  
29 application that the third party processes and that relates to driver  
30 licenses, nonoperating identification licenses or permits. An authorized  
31 third party may add the cost for expedited processing of renewal, replacement  
32 or duplicate applications if requested by the applicant.

33           5. An amount equal to two ~~per-cent~~ **PERCENT** of each overweight or  
34 excess size vehicle registration or permit fee the third party collects and  
35 submits to the department or one dollar for each overweight or excess size  
36 vehicle registration or permit processed, whichever is more.

37           6. One dollar for each motor vehicle or special motor vehicle record,  
38 excluding motor vehicle records released to commercial recipients, including  
39 insurers and their authorized agents.

40           7. Five dollars or one-fourth of one ~~per-cent~~ **PERCENT** of the fuel  
41 taxes reported, whichever is greater, for each fuel tax report filed  
42 electronically. ~~In fiscal years 2008-2009 through 2012-2013, the maximum~~  
43 ~~annual amount retained each year shall not exceed one million five hundred~~  
44 ~~thousand dollars. Beginning in fiscal year 2013-2014, The maximum annual~~

1 amount retained each year shall not exceed four hundred eighty thousand  
2 dollars.

3 8. One dollar for each fuel tax permit.

4 9. One dollar for each nonsufficient funds or dishonored check  
5 payment.

6 10. One dollar for each abandoned vehicle report processed, except for  
7 applications for crushed vehicles.

8 11. One dollar for each abandoned vehicle payment.

9 12. Two dollars for each initial special or personalized license plate  
10 application.

11 13. One dollar for each initial, renewal or replacement vehicle dealer  
12 license plate.

13 14. Five dollars for each application for an initial vehicle dealer  
14 license or continuation of a vehicle dealer license.

15 15. One dollar of each twelve dollar fee paid pursuant to section  
16 28-2356.

17 16. One dollar for each traffic survival school application and one  
18 dollar for each certificate of completion processed.

19 17. One dollar for each replacement license plate or tab.

20 G. For authorized third party electronic service partners, the amount  
21 of compensation and the amount of reimbursements for transactions shall be  
22 negotiated by the department and the authorized third party electronic  
23 service partner and shall be set forth in the written agreement authorizing  
24 the third party electronic service partner. If reimbursement is made for  
25 individual transactions, the reimbursements shall not exceed the amounts  
26 specified in subsections F, H and I of this section. Other forms of  
27 compensation or reimbursements for services may be specified in the written  
28 agreement. Compensation and reimbursements provided for by the written  
29 agreement may include the development and implementation of information  
30 technology and other automated systems and any necessary support for these  
31 systems.

32 H. The department's authorized third party electronic service provider  
33 may retain two dollars for processing documents electronically when the  
34 statutory fee pursuant to this title is two dollars or more.

35 I. The director may authorize the third party electronic service  
36 provider to process electronic fund transfers to the department for payment  
37 of motor vehicle taxes and fees. The third party electronic service provider  
38 may add a two dollar processing fee for each electronic funds transfer.

39 J. Each authorized third party that holds itself out as providing  
40 services to the general public shall post a sign in a conspicuous location in  
41 each facility of the authorized third party that contains all of the  
42 following:

43 1. The amount charged for each transaction performed by the authorized  
44 third party.

45 2. The amount charged by the department for the same transaction.





1           Sec. 49. Section 47-9311, Arizona Revised Statutes, is amended to  
2 read:

3           47-9311. Perfection of security interests in property subject  
4                                   to certain statutes, regulations and treaties

5           A. Except as otherwise provided in subsection D of this section, the  
6 filing of a financing statement is not necessary or effective to perfect a  
7 security interest in property subject to:

8           1. A statute, regulation or treaty of the United States whose  
9 requirements for a security interest's obtaining priority over the rights of  
10 a lien creditor with respect to the property preempt section 47-9310,  
11 subsection A;

12           2. A statute of this state that provides for central filing of or that  
13 requires indication on a certificate of title of a security interest in the  
14 property, including title 28, chapter 7, article 4, and that requires  
15 indication of the security interest on a certificate of title for a vehicle  
16 required to be ~~titled~~ ISSUED A CERTIFICATE OF TITLE and registered under  
17 section 28-2153 and for a mobile home required to be titled under section  
18 28-2063; or

19           3. A statute of another jurisdiction that provides for a security  
20 interest to be indicated on a certificate of title as a condition or result  
21 of the security interest's obtaining priority over the rights of a lien  
22 creditor with respect to the property.

23           B. Compliance with the requirements of a statute, regulation or treaty  
24 described in subsection A of this section for obtaining priority over the  
25 rights of a lien creditor is equivalent to the filing of a financing  
26 statement under this chapter. Except as otherwise provided in subsection D  
27 of this section and section 47-9313 and section 47-9316, subsections D and E  
28 for goods covered by a certificate of title, a security interest in property  
29 subject to a statute, regulation or treaty described in subsection A of this  
30 section may be perfected only by compliance with those requirements, and a  
31 security interest so perfected remains perfected notwithstanding a change in  
32 the use or transfer of possession of the collateral.

33           C. Except as otherwise provided in subsection D of this section and  
34 section 47-9316, subsections D and E, duration and renewal of perfection of a  
35 security interest perfected by compliance with the requirements prescribed by  
36 a statute, regulation or treaty described in subsection A of this section are  
37 governed by the statute, regulation or treaty. In other respects, the  
38 security interest is subject to this chapter.

39           D. During any period in which collateral subject to a statute  
40 specified in subsection A, paragraph 2 of this section is inventory held for  
41 sale or lease by a person or leased by that person as lessor and that person  
42 is in the business of selling goods of that kind, this section does not apply  
43 to a security interest in that collateral created by that person.