

REFERENCE TITLE: **scrap vehicles; sales**

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

HB 2307

Introduced by
Representative Campbell

AN ACT

AMENDING SECTIONS 13-1802, 13-3728, 28-101 AND 28-2097, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2098, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-4301, 44-1321 AND 44-1641, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1642.02; RELATING TO SCRAP VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 13-1802, Arizona Revised Statutes, is amended to
3 read:

4 13-1802. Theft; classification; definitions

5 A. A person commits theft if, without lawful authority, the person
6 knowingly:

7 1. Controls property of another with the intent to deprive the
8 other person of such property; or

9 2. Converts for an unauthorized term or use services or property of
10 another entrusted to the defendant or placed in the defendant's possession
11 for a limited, authorized term or use; or

12 3. Obtains services or property of another by means of any material
13 misrepresentation with intent to deprive the other person of such property
14 or services; or

15 4. Comes into control of lost, mislaid or misdelivered property of
16 another under circumstances providing means of inquiry as to the true
17 owner and appropriates such property to the person's own or another's use
18 without reasonable efforts to notify the true owner; or

19 5. Controls property of another knowing or having reason to know
20 that the property was stolen; or

21 6. Obtains services known to the defendant to be available only for
22 compensation without paying or an agreement to pay the compensation or
23 diverts another's services to the person's own or another's benefit
24 without authority to do so; or

25 7. Controls the ferrous metal or nonferrous metal of another with
26 the intent to deprive the other person of the metal; or

27 8. Controls the ferrous metal or nonferrous metal of another
28 knowing or having reason to know that the metal was stolen; or

29 9. Purchases within the scope of the ordinary course of business
30 the ferrous metal or nonferrous metal of another person knowing that the
31 metal was stolen.

32 B. A person commits theft if, without lawful authority, the person
33 knowingly takes control, title, use or management of a vulnerable adult's
34 property while acting in a position of trust and confidence and with the
35 intent to deprive the vulnerable adult of the property. Proof that a
36 person took control, title, use or management of a vulnerable adult's
37 property without adequate consideration to the vulnerable adult may give
38 rise to an inference that the person intended to deprive the vulnerable
39 adult of the property.

40 C. It is an affirmative defense to any prosecution under subsection
41 B of this section that either:

42 1. The property was given as a gift consistent with a pattern of
43 gift giving to the person that existed before the adult became vulnerable.

1 2. The property was given as a gift consistent with a pattern of
2 gift giving to a class of individuals that existed before the adult became
3 vulnerable.

4 3. The superior court approved the transaction before the
5 transaction occurred.

6 D. The inferences set forth in section 13-2305 apply to any
7 prosecution under subsection A, paragraph 5 of this section.

8 E. At the conclusion of any grand jury proceeding, hearing or
9 trial, the court shall preserve any trade secret that is admitted in
10 evidence or any portion of a transcript that contains information relating
11 to the trade secret pursuant to section 44-405.

12 F. Subsection B of this section does not apply to an agent who is
13 acting within the scope of the agent's duties as or on behalf of a health
14 care institution that is licensed pursuant to title 36, chapter 4 and that
15 provides services to the vulnerable adult.

16 G. Theft of property or services with a value of twenty-five
17 thousand dollars or more is a class 2 felony. Theft of property or
18 services with a value of four thousand dollars or more but less than
19 twenty-five thousand dollars is a class 3 felony. Theft of property or
20 services with a value of three thousand dollars or more but less than four
21 thousand dollars is a class 4 felony, except that theft of any vehicle
22 engine or transmission is a class 4 felony regardless of value. Theft of
23 property or services with a value of two thousand dollars or more but less
24 than three thousand dollars is a class 5 felony. Theft of property or
25 services with a value of one thousand dollars or more but less than two
26 thousand dollars is a class 6 felony. Theft of any property or services
27 valued at less than one thousand dollars is a class 1 misdemeanor, unless
28 the property is taken from the person of another, is a firearm or is an
29 animal taken for the purpose of animal fighting in violation of section
30 13-2910.01, in which case the theft is a class 6 felony.

31 H. A person who is convicted of a violation of subsection A,
32 paragraph 1 or 3 of this section that involved property with a value of
33 one hundred thousand dollars or more is not eligible for suspension of
34 sentence, probation, pardon or release from confinement on any basis
35 except pursuant to section 31-233, subsection A or B until the sentence
36 imposed by the court has been served, the person is eligible for release
37 pursuant to section 41-1604.07 or the sentence is commuted.

38 I. For the purposes of this section, the value of ferrous metal or
39 nonferrous metal includes the amount of any damage to the property of
40 another caused as a result of the theft of the metal.

41 J. In an action for theft of ferrous metal or nonferrous metal:

42 1. Unless satisfactorily explained or acquired in the ordinary
43 course of business by an automotive recycler ~~as defined and~~ **THAT IS**
44 licensed pursuant to title 28, chapter 10 or by a scrap metal dealer as
45 defined in section 44-1641, proof of possession of scrap metal that was

1 recently stolen may give rise to an inference that the person in
2 possession of the scrap metal was aware of the risk that it had been
3 stolen or in some way participated in its theft.

4 2. Unless satisfactorily explained or sold in the ordinary course
5 of business by an automotive recycler ~~as defined and~~ THAT IS licensed
6 pursuant to title 28, chapter 10 or by a scrap metal dealer as defined in
7 section 44-1641, proof of the sale of stolen scrap metal at a price
8 substantially below its fair market value may give rise to an inference
9 that the person selling the scrap metal was aware of the risk that it had
10 been stolen.

11 K. For the purposes of this section:

12 1. "Adequate consideration" means the property was given to the
13 person as payment for bona fide goods or services provided by the person
14 and the payment was at a rate that was customary for similar goods or
15 services in the community that the vulnerable adult resided in at the time
16 of the transaction.

17 2. "Ferrous metal" ~~and "nonferrous metal" have~~ HAS the same
18 meanings MEANING prescribed in section 44-1641.

19 3. "Pattern of gift giving" means two or more gifts that are the
20 same or similar in type and monetary value.

21 4. "Position of trust and confidence" has the same meaning
22 prescribed in section 46-456.

23 5. "Property" includes all forms of real property and personal
24 property.

25 6. "Vulnerable adult" has the same meaning prescribed in section
26 46-451.

27 Sec. 2. Section 13-3728, Arizona Revised Statutes, is amended to
28 read:

29 13-3728. Unlawful purchase or sale of used catalytic
30 converter; classification

31 A. It is unlawful for a person to purchase or sell a used catalytic
32 converter unless the purchase or sale is in the ordinary course of
33 business by a commercial motor vehicle parts or repair business in
34 connection with the sale or installation of a new catalytic converter.

35 B. This section does not apply to:

36 1. An automotive recycler ~~as defined and~~ THAT IS licensed pursuant
37 to title 28, chapter 10.

38 2. The purchase or sale of a used catalytic converter as prescribed
39 by section 44-1642.01 that is acquired in a transaction with an industrial
40 account, with another scrap metal dealer or after the used catalytic
41 converter is authorized for release by a peace officer of the jurisdiction
42 in which the transaction occurs.

43 C. A violation of this section is a class 1 misdemeanor.

1 Sec. 3. Section 28-101, Arizona Revised Statutes, is amended to
2 read:

3 28-101. Definitions

4 In this title, unless the context otherwise requires:

5 1. "Alcohol" means any substance containing any form of alcohol,
6 including ethanol, methanol, propynol and isopropynol.

7 2. "Alcohol concentration" if expressed as a percentage means
8 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
35 department 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
38 liability insurance requirements prescribed by the department.

39 5. "Autocycle" means a three-wheeled motorcycle on which the driver
40 and passengers ride in a fully or partially enclosed seating area that is
41 equipped with a roll cage, safety belts for each occupant and antilock
42 brakes and that is designed to be controlled with a steering wheel and
43 pedals.

44 6. "AUTOMOTIVE RECYCLER" MEANS A PERSON THAT IS ENGAGED IN THE
45 BUSINESS OF BUYING OR ACQUIRING A MOTOR VEHICLE SOLELY FOR THE PURPOSE OF

1 DISMANTLING, SELLING OR OTHERWISE DISPOSING OF THE PARTS OR ACCESSORIES
2 AND THAT DISMANTLES SIX OR MORE VEHICLES IN A CALENDAR YEAR.

3 ~~6.~~ 7. "Aviation fuel" means all flammable liquids composed of a
4 mixture of selected hydrocarbons expressly manufactured and blended for
5 the purpose of effectively and efficiently operating an internal
6 combustion engine for use in an aircraft but does not include fuel for jet
7 or turbine powered aircraft.

8 ~~7.~~ 8. "Bicycle" means a device, including a racing wheelchair,
9 that is propelled by human power and on which a person may ride and that
10 has either:

11 (a) Two tandem wheels, either of which is more than sixteen inches
12 in diameter.

13 (b) Three wheels in contact with the ground, any of which is more
14 than sixteen inches in diameter.

15 ~~8.~~ 9. "Board" means the transportation board.

16 ~~9.~~ 10. "Bus" means a motor vehicle designed for carrying sixteen
17 or more passengers, including the driver.

18 ~~10.~~ 11. "Business district" means the territory contiguous to and
19 including a highway if there are buildings in use for business or
20 industrial purposes within any six hundred feet along the highway,
21 including hotels, banks or office buildings, railroad stations and public
22 buildings that occupy at least three hundred feet of frontage on one side
23 or three hundred feet collectively on both sides of the highway.

24 ~~11.~~ 12. "Certificate of ownership" means a paper or an electronic
25 record that is issued in another state or a foreign jurisdiction and that
26 indicates ownership of a vehicle.

27 ~~12.~~ 13. "Certificate of title" means a paper document or an
28 electronic record that is issued by the department and that indicates
29 ownership of a vehicle.

30 ~~13.~~ 14. "Combination of vehicles" means a truck or truck tractor
31 and semitrailer and any trailer that it tows but does not include a
32 forklift designed for the purpose of loading or unloading the truck,
33 trailer or semitrailer.

34 ~~14.~~ 15. "Controlled substance" means a substance so classified
35 under section 102(6) of the controlled substances act (21 United States
36 Code section 802(6)) and includes all substances listed in schedules I
37 through V of 21 Code of Federal Regulations part 1308.

38 ~~15.~~ 16. "Conviction" means:

39 (a) An unvacated adjudication of guilt or a determination that a
40 person violated or failed to comply with the law in a court of original
41 jurisdiction or by an authorized administrative tribunal.

42 (b) An unvacated forfeiture of bail or collateral deposited to
43 secure the person's appearance in court.

44 (c) A plea of guilty or no contest accepted by the court.

45 (d) The payment of a fine or court costs.

1 ~~16.~~ 17. "County highway" means a public road that is constructed
2 and maintained by a county.
3 ~~17.~~ 18. "Dealer" means a person who is engaged in the business of
4 buying, selling or exchanging motor vehicles, trailers or semitrailers and
5 who has an established place of business and has paid fees pursuant to
6 section 28-4302.
7 ~~18.~~ 19. "Department" means the department of transportation acting
8 directly or through its duly authorized officers and agents.
9 ~~19.~~ 20. "Digital network or software application" has the same
10 meaning prescribed in section 28-9551.
11 ~~20.~~ 21. "Director" means the director of the department of
12 transportation.
13 ~~21.~~ 22. "Drive" means to operate or be in actual physical control
14 of a motor vehicle.
15 ~~22.~~ 23. "Driver" means a person who drives or is in actual
16 physical control of a vehicle.
17 ~~23.~~ 24. "Driver license" means a license that is issued by a state
18 to an individual and that authorizes the individual to drive a motor
19 vehicle.
20 ~~24.~~ 25. "Electric personal assistive mobility device" means a
21 self-balancing device with one wheel or two nontandem wheels and an
22 electric propulsion system that limits the maximum speed of the device to
23 fifteen miles per hour or less and that is designed to transport only one
24 person.
25 ~~25.~~ 26. "Farm" means any lands primarily used for agriculture
26 production.
27 ~~26.~~ 27. "Farm tractor" means a motor vehicle designed and used
28 primarily as a farm implement for drawing implements of husbandry.
29 ~~27.~~ 28. "Foreign vehicle" means a motor vehicle, trailer or
30 semitrailer that is brought into this state other than in the ordinary
31 course of business by or through a manufacturer or dealer and that has not
32 been registered in this state.
33 ~~28.~~ 29. "Golf cart" means a motor vehicle that has not less than
34 three wheels in contact with the ground, that has an unladen weight of
35 less than one thousand eight hundred pounds, that is designed to be and is
36 operated at not more than twenty-five miles per hour and that is designed
37 to carry not more than four persons including the driver.
38 ~~29.~~ 30. "Hazardous material" means a material, and its mixtures or
39 solutions, that the United States department of transportation determines
40 under 49 Code of Federal Regulations is, or any quantity of a material
41 listed as a select agent or toxin under 42 Code of Federal Regulations
42 part 73 that is, capable of posing an unreasonable risk to health, safety
43 and property if transported in commerce and that is required to be
44 placarded or marked as required by the department's safety rules
45 prescribed pursuant to chapter 14 of this title.

1 ~~30.~~ 31. "Implement of husbandry" means a vehicle that is designed
2 primarily for agricultural purposes and that is used exclusively in the
3 conduct of agricultural operations, including an implement or vehicle
4 whether self-propelled or otherwise that meets both of the following
5 conditions:

6 (a) Is used solely for agricultural purposes including the
7 preparation or harvesting of cotton, alfalfa, grains and other farm crops.

8 (b) Is only incidentally operated or moved on a highway whether as
9 a trailer or self-propelled unit. For the purposes of this subdivision,
10 "incidentally operated or moved on a highway" means travel between a farm
11 and another part of the same farm, from one farm to another farm or
12 between a farm and a place of repair, supply or storage.

13 ~~31.~~ 32. "Limousine" means a motor vehicle providing prearranged
14 ground transportation service for an individual passenger, or a group of
15 passengers, that is arranged in advance or is operated on a regular route
16 or between specified points and includes ground transportation under a
17 contract or agreement for services that includes a fixed rate or time and
18 is provided in a motor vehicle with a seating capacity not exceeding
19 fifteen passengers including the driver.

20 ~~32.~~ 33. "Livery vehicle" means a motor vehicle that:

21 (a) Has a seating capacity not exceeding fifteen passengers
22 including the driver.

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

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

27 (d) May do any of the following:

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

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

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

33 ~~33.~~ 34. "Local authority" means any county, municipal or other
34 local board or body exercising jurisdiction over highways under the
35 constitution and laws of this state.

36 ~~34.~~ 35. "Manufacturer" means a person engaged in the business of
37 manufacturing motor vehicles, trailers or semitrailers.

38 ~~35.~~ 36. "Moped" means a bicycle that is equipped with a helper
39 motor if the vehicle has a maximum piston displacement of fifty cubic
40 centimeters or less, a brake horsepower of one and one-half or less and a
41 maximum speed of twenty-five miles per hour or less on a flat surface with
42 less than a one percent grade.

43 ~~36.~~ 37. "Motorcycle" means a motor vehicle that has a seat or
44 saddle for the use of the rider and that is designed to travel on not more

1 than three wheels in contact with the ground but excludes a tractor and a
2 moped.

3 ~~36.~~ 38. "Motor driven cycle" means a motorcycle, including every
4 motor scooter, with a motor that produces not more than five horsepower.

5 ~~40.~~ 39. "Motorized quadricycle" means a self-propelled motor
6 vehicle to which all of the following apply:

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

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

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

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

15 (e) The vehicle is a commercial motor vehicle as defined in section
16 28-5201.

17 (f) The vehicle is a limousine operating under a vehicle for hire
18 company permit issued pursuant to section 28-9503.

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

21 (h) The vehicle complies with the definition and standards for
22 low-speed vehicles set forth in federal motor vehicle safety standard 500
23 and 49 Code of Federal Regulations sections 571.3(b) and 571.500,
24 respectively.

25 ~~37.~~ 40. "Motor vehicle":

26 (a) Means either:

27 (i) A self-propelled vehicle.

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

31 (b) Does not include a **SCRAP VEHICLE**, A motorized wheelchair, an
32 electric personal assistive mobility device or a motorized skateboard.
33 For the purposes of this subdivision:

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

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

39 ~~38.~~ 41. "Motor vehicle fuel" includes all products that are
40 commonly or commercially known or sold as gasoline, including casinghead
41 gasoline, natural gasoline and all flammable liquids, and that are
42 composed of a mixture of selected hydrocarbons expressly manufactured and
43 blended for the purpose of effectively and efficiently operating internal
44 combustion engines. Motor vehicle fuel does not include inflammable
45 liquids that are specifically manufactured for racing motor vehicles and

1 that are distributed for and used by racing motor vehicles at a racetrack,
2 use fuel as defined in section 28-5601, aviation fuel, fuel for jet or
3 turbine powered aircraft or the mixture created at the interface of two
4 different substances being transported through a pipeline, commonly known
5 as transmix.

6 ~~41.~~ 42. "Neighborhood electric vehicle" means a self-propelled
7 electrically powered motor vehicle to which all of the following apply:

8 (a) The vehicle is emission free.

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

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

15 ~~42.~~ 43. "Nonresident" means a person who is not a resident of this
16 state as defined in section 28-2001.

17 ~~43.~~ 44. "Off-road recreational motor vehicle" means a motor
18 vehicle that is designed primarily for recreational nonhighway all-terrain
19 travel and that is not operated on a public highway. Off-road
20 recreational motor vehicle does not mean a motor vehicle used for
21 construction, building trade, mining or agricultural purposes.

22 ~~44.~~ 45. "Operator" means a person who drives a motor vehicle on a
23 highway, who is in actual physical control of a motor vehicle on a highway
24 or who is exercising control over or steering a vehicle being towed by a
25 motor vehicle.

26 ~~45.~~ 46. "Owner" means:

27 (a) A person who holds the legal title of a vehicle.

28 (b) If a vehicle is the subject of an agreement for the conditional
29 sale or lease with the right of purchase on performance of the conditions
30 stated in the agreement and with an immediate right of possession vested
31 in the conditional vendee or lessee, the conditional vendee or lessee.

32 (c) If a mortgagor of a vehicle is entitled to possession of the
33 vehicle, the mortgagor.

34 ~~46.~~ 47. "Pedestrian" means any person afoot. A person who uses an
35 electric personal assistive mobility device or a manual or motorized
36 wheelchair is considered a pedestrian unless the manual wheelchair
37 qualifies as a bicycle. For the purposes of this paragraph, "motorized
38 wheelchair" means a self-propelled wheelchair that is used by a person for
39 mobility.

40 ~~47.~~ 48. "Power sweeper" means an implement, with or without motive
41 power, that is only incidentally operated or moved on a street or highway
42 and that is designed for the removal of debris, dirt, gravel, litter or
43 sand whether by broom, vacuum or regenerative air system from asphaltic
44 concrete or cement concrete surfaces, including parking lots, highways,

1 streets and warehouses, and a vehicle on which the implement is
2 permanently mounted.

3 ~~48.~~ 49. "Public transit" means the transportation of passengers on
4 scheduled routes by means of a conveyance on an individual passenger
5 fare-paying basis excluding transportation by a sightseeing bus, school
6 bus or taxi or a vehicle not operated on a scheduled route basis.

7 ~~49.~~ 50. "Reconstructed vehicle" means a vehicle that has been
8 assembled or constructed largely by means of essential parts, new or used,
9 derived from vehicles or makes of vehicles of various names, models and
10 types or that, if originally otherwise constructed, has been materially
11 altered by the removal of essential parts or by the addition or
12 substitution of essential parts, new or used, derived from other vehicles
13 or makes of vehicles. For the purposes of this paragraph, "essential
14 parts" means integral and body parts, the removal, alteration or
15 substitution of which will tend to conceal the identity or substantially
16 alter the appearance of the vehicle.

17 ~~50.~~ 51. "Residence district" means the territory contiguous to and
18 including a highway not comprising a business district if the property on
19 the highway for a distance of three hundred feet or more is in the main
20 improved with residences or residences and buildings in use for business.

21 ~~51.~~ 52. "Right-of-way" when used within the context of the
22 regulation of the movement of traffic on a highway means the privilege of
23 the immediate use of the highway. Right-of-way when used within the
24 context of the real property on which transportation facilities and
25 appurtenances to the facilities are constructed or maintained means the
26 lands or interest in lands within the right-of-way boundaries.

27 ~~52.~~ 53. "School bus" means a motor vehicle that is designed for
28 carrying more than ten passengers and that is either:

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

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

35 54. "SCRAP METAL DEALER" HAS THE SAME MEANING PRESCRIBED IN SECTION
36 44-1641.

37 55. "SCRAP VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION
38 44-1641.

39 ~~53.~~ 56. "Semitrailer" means a vehicle that is with or without
40 motive power, other than a pole trailer, that is designed for carrying
41 persons or property and for being drawn by a motor vehicle and that is
42 constructed so that some part of its weight and that of its load rests on
43 or is carried by another vehicle. For the purposes of this paragraph,
44 "pole trailer" has the same meaning prescribed in section 28-601.

1 ~~54.~~ 57. "State" means a state of the United States and the
2 District of Columbia.

3 ~~55.~~ 58. "State highway" means a state route or portion of a state
4 route that is accepted and designated by the board as a state highway and
5 that is maintained by the state.

6 ~~56.~~ 59. "State route" means a right-of-way whether actually used
7 as a highway or not that is designated by the board as a location for the
8 construction of a state highway.

9 ~~57.~~ 60. "Street" or "highway" means the entire width between the
10 boundary lines of every way if a part of the way is open to the use of the
11 public for purposes of vehicular travel.

12 ~~58.~~ 61. "Taxi" means a motor vehicle that has a seating capacity
13 not exceeding fifteen passengers, including the driver, that provides
14 passenger services and that:

15 (a) Does not primarily operate on a regular route or between
16 specified places.

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

20 ~~59.~~ 62. "Title transfer form" means a paper or an electronic form
21 that is prescribed by the department for the purpose of transferring a
22 certificate of title from one owner to another owner.

23 ~~60.~~ 63. "Traffic survival school" means a school that offers
24 educational sessions to drivers who are required to attend and
25 successfully complete educational sessions pursuant to this title that are
26 designed to improve the safety and habits of drivers and that are approved
27 by the department.

28 ~~61.~~ 64. "Trailer" means a vehicle that is with or without motive
29 power, other than a pole trailer, that is designed for carrying persons or
30 property and for being drawn by a motor vehicle and that is constructed so
31 that no part of its weight rests on the towing vehicle. A semitrailer
32 equipped with an auxiliary front axle commonly known as a dolly is deemed
33 to be a trailer. For the purposes of this paragraph, "pole trailer" has
34 the same meaning prescribed in section 28-601.

35 ~~62.~~ 65. "Transportation network company" has the same meaning
36 prescribed in section 28-9551.

37 ~~63.~~ 66. "Transportation network company vehicle" has the same
38 meaning prescribed in section 28-9551.

39 ~~64.~~ 67. "Transportation network service" has the same meaning
40 prescribed in section 28-9551.

41 ~~65.~~ 68. "Truck" means a motor vehicle designed or used primarily
42 for the carrying of property other than the effects of the driver or
43 passengers and includes a motor vehicle to which has been added a box, a
44 platform or other equipment for such carrying.

1 ~~66.~~ 69. "Truck tractor" means a motor vehicle that is designed and
2 used primarily for drawing other vehicles and that is not constructed to
3 carry a load other than a part of the weight of the vehicle and load
4 drawn.

5 ~~67.~~ 70. "Vehicle":

6 (a) Means a device in, on or by which a person or property is or
7 may be transported or drawn on a public highway, excluding devices moved
8 by human power or used exclusively on stationary rails or tracks.

9 (b) DOES NOT INCLUDE A SCRAP VEHICLE.

10 ~~68.~~ 71. "Vehicle transporter" means either:

11 (a) A truck tractor capable of carrying a load and drawing a
12 semitrailer.

13 (b) A truck tractor with a stinger-steered fifth wheel capable of
14 carrying a load and drawing a semitrailer or a truck tractor with a dolly
15 mounted fifth wheel that is securely fastened to the truck tractor at two
16 or more points and that is capable of carrying a load and drawing a
17 semitrailer.

18 Sec. 4. Section 28-2097, Arizona Revised Statutes, is amended to
19 read:

20 28-2097. Modular motor homes; definition

21 A. Notwithstanding any other provision of this title:

22 1. If a refurbished coach or body component is remounted to a new
23 cab and chassis power unit of a modular motor home, the department shall
24 issue a certificate of title for the modular motor home according to the
25 make of the refurbished coach. The manufacturer's cab and chassis vehicle
26 identification number determines the model year. The department shall
27 conduct a level one inspection of the vehicle and shall brand the
28 certificate of title refurbished.

29 2. If a modular motor home is separated by removal of the coach or
30 body component from the cab and chassis power unit and a cargo box,
31 container or structure, if any, other than a motor home coach, is fitted
32 to the cab and chassis unit, it ceases to be a modular motor home. The
33 department shall conduct a level one inspection and shall issue a
34 certificate of title for the vehicle according to the body style
35 determined by the inspection. The department shall use the make and model
36 year of the cab and chassis for the purpose of issuing a certificate of
37 title and shall brand the certificate of title refurbished.

38 B. If a vehicle covered by this section is offered for sale, a
39 person who sells the vehicle shall keep full and complete disclosure
40 statements and present those statements to any person or entity that
41 requests them at the time of a sale or purchase. For the purposes of this
42 subsection, full and complete disclosure statements are documents that
43 accurately reflect the history of the original manufacturer's cab and
44 chassis, including vehicle identification numbers, dates of required

1 inspections, odometer readings and other information prescribed by the
2 director in rules.

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

4 1. A type of motor home that is primarily designed as temporary
5 living quarters, that satisfies the requirements prescribed in section
6 28-4301, paragraph ~~20~~ 19, subdivision (b) and that is intended from
7 inception through final assembly to consist of an incomplete cab and
8 chassis power unit component and a coach or body component that are
9 designed and engineered to be joined or separated without sheet metal
10 modifications to the cab and chassis power unit component.

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

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

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

16 Sec. 5. Title 28, chapter 7, article 3, Arizona Revised Statutes,
17 is amended by adding section 28-2098, to read:

18 28-2098. Vehicle sales; no certificate of title; civil
19 penalty; fund

20 A. NOTWITHSTANDING ANY OTHER LAW, A REGISTERED SCRAP METAL DEALER
21 OR A LICENSED AUTOMOTIVE RECYCLER MAY PURCHASE A VEHICLE WITHOUT OBTAINING
22 A CERTIFICATE OF TITLE IF THE SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER
23 COMPLIES WITH SUBSECTION B OF THIS SECTION, THE VEHICLE IS AT LEAST TEN
24 MODEL YEARS OLD AND THE OWNER DOES NOT HAVE TITLE TO THE VEHICLE FOR ANY
25 OF THE FOLLOWING REASONS:

26 1. THE OWNER OR THE OWNER'S AUTHORIZED AGENT HAS NOT OBTAINED A
27 TITLE IN THE OWNER'S OR AGENT'S NAME FOR THE VEHICLE.

28 2. THE OWNER HAS LOST THE TITLE FOR THE VEHICLE.

29 3. THE OWNER HAS RETURNED THE TITLE TO THE DEPARTMENT. IF THIS
30 PARAGRAPH APPLIES, A VEHICLE MAY BE TRANSFERRED TO ONLY A SCRAP METAL
31 DEALER OR AN AUTOMOTIVE RECYCLER.

32 B. FOR PURCHASES UNDER THIS SECTION, THE REGISTERED SCRAP METAL
33 DEALER OR LICENSED AUTOMOTIVE RECYCLER SHALL OBTAIN A STATEMENT THAT IS
34 SIGNED BY THE SELLER AND THAT AFFIRMS THE CONDITIONS PRESCRIBED IN
35 SUBSECTION A OF THIS SECTION. WHEN THE DEPARTMENT IS ABLE TO ACCEPT AN
36 ELECTRONIC FORM, THE STATEMENT SHALL BE SUBMITTED ELECTRONICALLY IN A FORM
37 THAT IS PRESCRIBED BY THE DEPARTMENT AND SHALL CONTAIN ALL OF THE
38 FOLLOWING:

39 1. A STATEMENT THAT THE VEHICLE WILL NOT BE TITLED AGAIN AND WILL
40 BE DISMANTLED OR SCRAPPED.

41 2. A DESCRIPTION OF THE VEHICLE, INCLUDING THE YEAR, MAKE, MODEL
42 AND VEHICLE IDENTIFICATION NUMBER.

43 3. THE NAME, ADDRESS AND DRIVER LICENSE NUMBER OF THE OWNER.

44 4. A CERTIFICATION THAT THE OWNER EITHER:

45 (a) NEVER OBTAINED A TITLE TO THE VEHICLE IN THE OWNER'S NAME.

1 (b) WAS ISSUED A TITLE FOR THE VEHICLE AND THE TITLE WAS LOST OR
2 STOLEN.
3 (c) HAS RETURNED THE TITLE TO THE DEPARTMENT.
4 5. A CERTIFICATION THAT THE VEHICLE IS BOTH OF THE FOLLOWING:
5 (a) AT LEAST TEN MODEL YEARS OLD.
6 (b) NOT SUBJECT TO A SECURITY INTEREST OR LIEN.
7 6. AN ACKNOWLEDGMENT THAT THE OWNER AND THE SCRAP METAL DEALER OR
8 AUTOMOTIVE RECYCLER UNDERSTAND THAT THE STATEMENT REQUIRED BY THIS
9 SUBSECTION WILL BE FILED WITH THE DEPARTMENT AND THAT IT IS A CLASS 1
10 MISDEMEANOR TO KNOWINGLY FALSIFY ANY INFORMATION ON THE STATEMENT.
11 7. THE OWNER'S SIGNATURE AND THE DATE OF THE TRANSACTION.
12 8. THE NAME AND ADDRESS OF THE BUSINESS ACQUIRING THE VEHICLE.
13 9. THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM
14 IDENTIFICATION NUMBER.
15 10. A BUSINESS AGENT'S SIGNATURE AND DATE, INCLUDING THE AGENT'S
16 PRINTED NAME AND TITLE IF THE AGENT IS SIGNING ON BEHALF OF A CORPORATION.
17 C. A REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER
18 THAT PURCHASES A VEHICLE UNDER THIS SECTION:
19 1. SHALL MAINTAIN A PHOTOCOPY OR ELECTRONIC SCAN OF THE OWNER'S
20 DRIVER LICENSE, NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT TO
21 SECTION 28-3165 OR PHOTO IDENTIFICATION CARD ISSUED BY A TRIBAL GOVERNMENT
22 OR THE UNITED STATES MILIARY.
23 2. MAY MAINTAIN A COPY OF THE SELLER'S PHOTO IDENTIFICATION AND
24 REFERENCE THAT PHOTO IDENTIFICATION WITHOUT MAKING A SEPARATE PHOTOCOPY
25 FOR EACH TRANSACTION FOR SUBSEQUENT PURCHASES.
26 D. THE DEPARTMENT SHALL DEVELOP AN ELECTRONIC SYSTEM FOR A
27 REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER TO VERIFY
28 AT THE TIME OF A TRANSACTION THAT A MOTOR VEHICLE OFFERED FOR SALE HAS NOT
29 BEEN REPORTED STOLEN. THE DEPARTMENT MAY NOT CHARGE A FEE TO THE SCRAP
30 METAL DEALER OR AUTOMOTIVE RECYCLER FOR USE OF THE ELECTRONIC VERIFICATION
31 SYSTEM. ONCE THE DEPARTMENT DEVELOPS THE ELECTRONIC VERIFICATION SYSTEM,
32 A REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER MUST USE
33 THE SYSTEM BEFORE PURCHASING A VEHICLE WITHOUT A CERTIFICATE OF TITLE. A
34 REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER MAY USE THE
35 SYSTEM BEFORE PURCHASING A VEHICLE WITH A CERTIFICATE OF TITLE. IF,
36 BEFORE PURCHASING A VEHICLE, A SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER
37 USES THE ELECTRONIC VERIFICATION SYSTEM TO VERIFY THAT THE VEHICLE WAS NOT
38 REPORTED STOLEN AND, AFTER PURCHASING THE VEHICLE, THE VEHICLE IS
39 SUBSEQUENTLY DETERMINED TO BE STOLEN, THE SCRAP METAL DEALER OR AUTOMOTIVE
40 RECYCLER IS NOT LIABLE FOR THAT PURCHASED VEHICLE. THE DEPARTMENT MAY
41 DISCLOSE THE INFORMATION THAT THE DEPARTMENT OBTAINS FROM VERIFICATIONS
42 MADE PURSUANT TO THIS SECTION ONLY TO LAW ENFORCEMENT AGENCIES AND FOR THE
43 PURPOSES OF CANCELING CERTIFICATES OF TITLE. THE INFORMATION IS NOT A
44 PUBLIC RECORD.

1 E. BEFORE PURCHASING A MOTOR VEHICLE UNDER THIS SECTION, A
2 REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER SHALL
3 ATTEMPT TO VERIFY WITH THE DEPARTMENT THAT THE MOTOR VEHICLE OFFERED FOR
4 SALE HAS NOT BEEN REPORTED STOLEN. IF THE DEPARTMENT REPORTS THAT A MOTOR
5 VEHICLE HAS BEEN REPORTED STOLEN, THE SCRAP METAL DEALER OR AUTOMOTIVE
6 RECYCLER MAY PURCHASE THE MOTOR VEHICLE AND SHALL NOTIFY THE APPROPRIATE
7 LAW ENFORCEMENT AGENCY. THE SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER
8 SHALL HOLD THE VEHICLE THAT WAS REPORTED STOLEN UNTIL THE LAW ENFORCEMENT
9 AGENCY CONTACTS THE SELLER AND PROVIDES FURTHER HANDLING INSTRUCTIONS. A
10 REGISTERED SCRAP METAL DEALER OR A LICENSED AUTOMOTIVE RECYCLER IS NOT
11 REQUIRED TO APPREHEND A PERSON THAT ATTEMPTS TO SELL A MOTOR VEHICLE THAT
12 WAS REPORTED STOLEN.

13 F. A PERSON WHO KNOWINGLY GIVES FALSE, FRAUDULENT OR ERRONEOUS
14 INFORMATION IN CONNECTION WITH THE SIGNED STATEMENT PRESCRIBED IN
15 SUBSECTION B OF THIS SECTION, WHO FALSELY CERTIFIES THE TRUTHFULNESS AND
16 ACCURACY OF INFORMATION SUPPLIED IN CONNECTION WITH THE STATEMENT OR WHO
17 KNOWINGLY SELLS A VEHICLE THAT IS SUBJECT TO AN UNSATISFIED LIEN IS GUILTY
18 OF A CLASS 1 MISDEMEANOR AND SHALL PAY A FINE OF TWO THOUSAND FIVE HUNDRED
19 DOLLARS.

20 G. WITHIN FORTY-EIGHT HOURS AFTER THE CLOSE OF BUSINESS EACH DAY, A
21 REGISTERED SCRAP METAL DEALER OR LICENSED AUTOMOTIVE RECYCLER THAT
22 PURCHASES OR RECEIVES VEHICLES FOR SCRAP OR FOR PARTS SHALL MAINTAIN AND
23 DELIVER IN A FORMAT APPROVED BY THE DEPARTMENT A LIST OF EACH VEHICLE
24 PURCHASED THAT DAY FOR SCRAP OR FOR PARTS. THE DEPARTMENT MAY NOT CHARGE
25 A FEE TO A SCRAP METAL DEALER OR AUTOMOTIVE RECYCLER FOR PROVIDING THE
26 INFORMATION PRESCRIBED BY THIS SUBSECTION. THE LIST SHALL CONTAIN ALL OF
27 THE FOLLOWING:

- 28 1. THE NAME, ADDRESS AND CONTACT INFORMATION FOR THE REPORTING
29 ENTITY.
- 30 2. THE VEHICLE IDENTIFICATION NUMBER.
- 31 3. THE DATE THAT THE VEHICLE WAS OBTAINED.
- 32 4. THE NAME OF THE PERSON FROM WHOM THE VEHICLE WAS OBTAINED.
- 33 5. WHETHER THE VEHICLE WAS OR WILL BE CRUSHED, DISPOSED OF OR
34 OFFERED FOR SALE OR OTHER PURPOSES.
- 35 6. WHETHER THE VEHICLE WILL BE EXPORTED OUT OF THE UNITED STATES.
- 36 7. THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM
37 IDENTIFICATION NUMBER OF THE BUSINESS ACQUIRING THE VEHICLE.

38 H. THE DEPARTMENT SHALL REPORT OR DISCLOSE THE INFORMATION THAT THE
39 DEPARTMENT OBTAINS PURSUANT TO SUBSECTION G OF THIS SECTION AS FOLLOWS:

- 40 1. TO THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM IN A
41 FORMAT THAT COMPLIES WITH RULES ADOPTED PURSUANT TO 28 CODE OF FEDERAL
42 REGULATIONS SECTION 25.56.
- 43 2. ONLY TO LAW ENFORCEMENT AGENCIES AND FOR THE PURPOSES OF
44 CANCELING CERTIFICATES OF TITLE. OTHERWISE THIS INFORMATION IS THE
45 CONFIDENTIAL BUSINESS INFORMATION OF THE RESPECTIVE REPORTING ENTITY.

1 I. EACH REPORTING ENTITY SHALL MAINTAIN ALL STATEMENTS AND RECORDS
2 REQUIRED UNDER THIS SECTION FOR A PERIOD OF TWO YEARS.

3 J. A PERSON WHO ENGAGES IN THE ACTIVITIES OF A SCRAP METAL DEALER
4 OR AN AUTOMOTIVE RECYCLER, WHETHER OR NOT REGISTERED OR LICENSED AS SUCH,
5 AND WHO KNOWINGLY AND WILFULLY FAILS TO DELIVER A VEHICLE TITLE PURSUANT
6 TO SECTION 28-2094 OR THE STATEMENT REQUIRED UNDER THIS SECTION TO THE
7 DEPARTMENT WITHIN FORTY-EIGHT HOURS AFTER THE COMPLETION OF A TRANSACTION
8 IS IN VIOLATION OF THIS SECTION AND IS SUBJECT TO A CIVIL PENALTY OF UP TO
9 ONE THOUSAND DOLLARS PER VIOLATION. A LOCAL OR STATE LAW ENFORCEMENT
10 AGENCY, A COUNTY ATTORNEY OR THE ATTORNEY GENERAL MAY BRING AN ACTION IN
11 ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THIS SECTION. ANY CIVIL
12 PENALTIES ASSESSED SHALL BE DEPOSITED AS FOLLOWS:

13 1. FIFTY PERCENT SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146
14 AND 35-147, IN THE CERTIFICATE OF TITLE FUND ESTABLISHED BY SUBSECTION K
15 OF THIS SECTION.

16 2. FIFTY PERCENT SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146
17 AND 35-147, IN THE GENERAL FUND OF THE CITY OR TOWN, THE COUNTY OR THIS
18 STATE, WHICHEVER IS APPROPRIATE. THE MONIES DEPOSITED PURSUANT TO THIS
19 PARAGRAPH MAY BE USED ONLY TO ENFORCE THIS SECTION.

20 K. THE CERTIFICATE OF TITLE FUND IS ESTABLISHED CONSISTING OF
21 MONIES RECEIVED PURSUANT TO THIS SECTION. THE DIRECTOR SHALL ADMINISTER
22 THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE DIRECTOR
23 SHALL USE THE MONIES IN THE FUND TO ADMINISTER THIS CHAPTER.

24 L. THE DIRECTOR SHALL INCORPORATE BY REFERENCE THE NATIONAL MOTOR
25 VEHICLE TITLE INFORMATION SYSTEM PRESCRIBED IN 28 CODE OF FEDERAL
26 REGULATIONS, PART 25, SUBPART B, AND A PEACE OFFICER MAY ENFORCE ITS
27 PROVISIONS. A REGISTERED SCRAP DEALER'S OR LICENSED AUTOMOTIVE RECYCLER'S
28 COMPLIANCE WITH THIS SECTION CONSTITUTES COMPLIANCE WITH THE NATIONAL
29 MOTOR VEHICLE TITLE INFORMATION SYSTEM.

30 M. NOTWITHSTANDING ANY OTHER LAW, ONLY THIS TITLE GOVERNS THE
31 PURCHASE BY A SCRAP METAL DEALER OF A VEHICLE SOLELY FOR THE PURPOSE OF
32 PROCESSING THE VEHICLE INTO A SCRAP VEHICLE OR INTO PREPARED GRADES OF
33 SCRAP METAL AS DEFINED IN SECTION 44-1641.

34 Sec. 6. Section 28-4301, Arizona Revised Statutes, is amended to
35 read:

36 28-4301. Definitions

37 In this chapter, unless the context otherwise requires:

38 1. "Area of responsibility" means the area surrounding an
39 individual dealer that the factory designates as that dealer's individual
40 primary geographic territory for the purpose of marketing, promoting,
41 selling and leasing new motor vehicles. In the absence of the factory
42 designated area, the area of responsibility is that geographical area
43 surrounding a dealer that lies closer to that dealer than to other dealers
44 of the same line-make.

1 ~~2. "Automotive recycler" means a person who is engaged in the~~
2 ~~business of buying or acquiring a motor vehicle solely for the purpose of~~
3 ~~dismantling, selling or otherwise disposing of the parts or accessories~~
4 ~~and who dismantles six or more vehicles in a calendar year.~~

5 ~~3.~~ 2. "Branch license" means a license that is issued by the
6 director to a licensed motor vehicle dealer and that permits the licensee
7 to sell motor vehicles from an established place of business within the
8 same county but other than the original or principal place of business for
9 which the license was issued.

10 ~~4.~~ 3. "Broker" means a person who for any fee, commission or other
11 valuable consideration offers to provide, provides or represents that the
12 person will provide a service of arranging or assisting in effecting the
13 purchase of a motor vehicle and who is not:

14 (a) A new motor vehicle dealer or an employee or agent of a new
15 motor vehicle dealer.

16 (b) A used motor vehicle dealer or an employee or agent of a used
17 motor vehicle dealer.

18 (c) A manufacturer or employee or agent of a manufacturer.

19 (d) An auctioneer or engaged in the auto auction business.

20 (e) A wholesale motor vehicle dealer.

21 ~~5.~~ 4. "Community" means the relevant market area. For the
22 purposes of this paragraph, "relevant market area" means the incorporated
23 city or town in which the franchise is located.

24 ~~6.~~ 5. "Distributor" means a person who either:

25 (a) Sells or distributes new motor vehicles to new motor vehicle
26 dealers in this state.

27 (b) Maintains distributor representatives in this state.

28 ~~7.~~ 6. "Distributor branch" means a branch office maintained or
29 availed of by a distributor for either:

30 (a) The sale of new motor vehicles to new motor vehicle dealers in
31 this state.

32 (b) Directing or supervising its representatives in this state.

33 ~~8.~~ 7. "Established place of business":

34 (a) Means a permanent enclosed building or structure that is owned
35 either in fee or leased with sufficient space to display two or more motor
36 vehicles of a kind and type that the dealer is licensed to sell and that
37 is devoted principally to the use of a motor vehicle dealer in the conduct
38 of the business of the dealer.

39 (b) In the case of a used motor vehicle dealer, trailer dealer or
40 semitrailer dealer:

41 (i) Need not be a permanent building or structure or part of a
42 permanent building or structure.

43 (ii) May be a vacant lot or part of a vacant lot.

1 (iii) Does not mean or include a residence, tent, temporary stand
2 or temporary quarters or permanent quarters occupied pursuant to a
3 temporary arrangement.

4 (c) In the case of an automotive recycler, means a permanent site
5 or location at which the business of an automotive recycler is or will be
6 conducted.

7 ~~9.~~ 8. "Exhibitor" means a manufacturer of new motor homes that
8 exhibits new motor homes at a special event.

9 ~~10.~~ 9. "Factory branch" means a branch office maintained or
10 availed of by a manufacturer for either:

11 (a) The sale of new motor vehicles to distributors or the sale of
12 new motor vehicles to new motor vehicle dealers in this state.

13 (b) Directing or supervising its representatives in this state.

14 ~~11.~~ 10. "Financial institution" means a bank, trust company,
15 savings and loan association, credit union, consumer lender, international
16 banking facility or holding company that is licensed, regulated or insured
17 by the department of financial institutions, the federal deposit insurance
18 corporation, the office of thrift supervision, the comptroller of the
19 currency, the national credit union share insurance fund or the national
20 credit union administration.

21 ~~12.~~ 11. "Franchise" means a contract between two or more persons
22 if all of the following conditions are included:

23 (a) A commercial relationship of definite duration or continuing
24 indefinite duration is involved.

25 (b) The franchisee is granted the right to offer, sell and service
26 in this state new motor vehicles manufactured or distributed by the
27 franchisor.

28 (c) The franchisee, as a separate business, constitutes a component
29 of the franchisor's distribution system.

30 (d) The operation of the franchisee's business is substantially
31 associated with the franchisor's trademark, service mark, trade name,
32 advertising or other commercial symbol designating the franchisor.

33 (e) The operation of the franchisee's business is substantially
34 reliant on the franchisor for the continued supply of new motor vehicles,
35 parts and accessories.

36 ~~13.~~ 12. "Franchisee" means a person who both:

37 (a) Receives new motor vehicles from the franchisor under a
38 franchise.

39 (b) Offers and sells to and services new motor vehicles for the
40 general public.

41 ~~14.~~ 13. "Franchisor" means a person who both:

42 (a) Manufactures or distributes new motor vehicles.

43 (b) May enter into a franchise.

1 ~~15.~~ 14. "Importer" means a person who transports or arranges for
2 the transportation of a foreign manufactured new motor vehicle into the
3 United States for sale in this state.

4 ~~16.~~ 15. "Lead" means any retail consumer who satisfies all of the
5 following:

6 (a) Responds to a factory-directed program that obtains consumer
7 contact information and that provides such information to one or more
8 dealers.

9 (b) Expresses an interest to the factory in purchasing, leasing or
10 acquiring any vehicle or product, service or financing available from the
11 dealers of that factory.

12 (c) Does not qualify for any reasonable factory sponsored employee,
13 retiree or vendor new vehicle purchase program or any other reasonable
14 similar factory new vehicle purchase program.

15 ~~17.~~ 16. "Line-make" means those motor vehicles that are offered
16 for sale, lease or distribution under a common name, trademark, service
17 mark or brand name of the manufacturer of those same motor vehicles.

18 ~~18.~~ 17. "Major component part" includes a motor vehicle or vehicle
19 part that the manufacturer has assigned any factory, motor, serial or
20 other identification number or mark.

21 ~~19.~~ 18. "Manufacturer" means any person who either:

22 (a) Manufactures or assembles new motor vehicles.

23 (b) Manufactures or installs on previously assembled truck chassis
24 special bodies or equipment that when installed forms an integral part of
25 the new motor vehicle and that constitutes a major manufacturing
26 alteration, excluding the installation of a camper on a pickup truck.

27 ~~20.~~ 19. "Motor home" means a motor vehicle that is primarily
28 designed as temporary living quarters and that:

29 (a) Is built onto as an integral part of, or is permanently
30 attached to, a motor vehicle chassis.

31 (b) Contains at least four of the following independent life
32 support systems if each is permanently installed and designed to be
33 removed only for purposes of repair or replacement:

34 (i) A cooking facility with an onboard fuel source.

35 (ii) A gas or electric refrigerator.

36 (iii) A toilet with exterior evacuation.

37 (iv) A heating or air conditioning system with an onboard power or
38 fuel source separate from the vehicle engine.

39 (v) A potable water supply system that includes at least a sink, a
40 faucet and a water tank with an exterior service supply connection.

41 (vi) A 110-125 volt electric power supply.

42 ~~21.~~ 20. "Motor vehicle" means an automobile, motor bus,
43 motorcycle, truck or truck tractor or any other self-propelled vehicle,
44 trailer or semitrailer.

1 ~~22.~~ 21. "Motor vehicle dealer" means a new motor vehicle dealer, a
2 used motor vehicle dealer, a public consignment auction dealer, a broker
3 or a wholesale motor vehicle auction dealer, excluding a person who comes
4 into possession of a motor vehicle as an incident to the person's regular
5 business and who sells, auctions or exchanges the motor vehicle.

6 ~~23.~~ 22. "New house trailer dealer" means a person who buys, sells,
7 exchanges or offers or attempts to negotiate a sale or exchange of an
8 interest in, or who is engaged in the business of selling, new house
9 trailers or used house trailers taken in trade on new house trailers. For
10 the purposes of this paragraph, "house trailer" means a vehicle, other
11 than a motor vehicle, that is built on a chassis designed for being drawn
12 on the highways by a motor vehicle and that is designed for human
13 habitation.

14 ~~24.~~ 23. "New motor vehicle" means a motor vehicle, other than a
15 used motor vehicle, that is held either for:

16 (a) Sale by the franchisee who first acquired the vehicle from the
17 manufacturer or distributor of the vehicle.

18 (b) Sale by another franchisee of the same line-make.

19 ~~25.~~ 24. "New motor vehicle dealer" means a person who buys, sells,
20 exchanges or offers or attempts to negotiate a sale or exchange of an
21 interest in, or who is engaged in the business of selling, new motor
22 vehicles or used motor vehicles taken in trade on new motor vehicles or
23 used vehicles purchased for resale.

24 ~~26.~~ 25. "Off-premises display and sales" means a promotion or sale
25 of motor vehicles for a period of time as specified by the director that
26 both:

27 (a) Is sponsored by a licensed motor vehicle dealer, the licensed
28 motor vehicle dealer's agents or the manufacturer.

29 (b) Takes place at a location within the same county but not at the
30 licensee's established place of business.

31 ~~27.~~ 26. "Off-premises exhibition" means the exhibition of a motor
32 vehicle for a period of time as specified by the director at a location
33 within the same county but not at the established place of business of a
34 licensed motor vehicle dealer and at which a solicitation or sale does not
35 occur.

36 ~~28.~~ 27. "Provisional automotive recycler's license" means a
37 license that both:

38 (a) Is issued by the department only in conjunction with an
39 application for an automotive recycler's license.

40 (b) Permits the applicant or applicants to conduct the business of
41 an automotive recycler regulated by this chapter pending completion of the
42 criminal records check pursuant to section 28-4361.

43 ~~29.~~ 28. "Provisional dealer's license" means a license that both:

44 (a) Is issued by the department only in conjunction with an
45 application for a dealer's license.

1 (b) Permits the applicant or applicants to conduct the business of
2 a motor vehicle dealer regulated by this chapter pending completion of the
3 criminal records check pursuant to section 28-4361.

4 ~~30.~~ 29. "Public consignment auction dealer" means a person who at
5 the public consignment auction dealer's established place of business or
6 at an authorized off-premises location pursuant to the requirements of
7 section 28-4401 is in the business of both of the following:

8 (a) Conducting live auctions with a licensed auctioneer verbally
9 calling for and accepting bids.

10 (b) Providing live auction services to the public on a consignment
11 contract basis.

12 ~~31.~~ 30. "Retail consumer" means any person purchasing, leasing or
13 acquiring or possibly purchasing, leasing or acquiring a vehicle or
14 product, service or financing not for resale.

15 ~~32.~~ 31. "Service" means any service that is sold, leased or
16 provided to retail consumers and that directly relates to the ownership or
17 leasing of a new or used motor vehicle, including extended service
18 contracts or motor vehicle warranty and nonwarranty repairs or
19 maintenance, including both parts and labor.

20 ~~33.~~ 32. "Special event" means an exhibition of new motor homes by
21 a motor vehicle dealer licensed to sell new motor homes or an exhibitor
22 for a period of time specified by the director at a location in this state
23 other than the licensee's or exhibitor's established place of business.

24 ~~34.~~ 33. "Used motor vehicle" means a motor vehicle that has been
25 sold, bargained, exchanged or given away or the title to the motor vehicle
26 has been transferred from the person who first acquired the vehicle from
27 the manufacturer, or importer, dealer or agent of the manufacturer or
28 importer, and that has been placed in bona fide consumer use. For the
29 purposes of this paragraph, "bona fide consumer use" means actual
30 operation by an owner who acquired a new motor vehicle both:

31 (a) For use in the owner's business or for pleasure or otherwise.

32 (b) For which a certificate of title has been issued or that has
33 been registered as provided by law.

34 ~~35.~~ 34. "Used motor vehicle dealer" means a person, other than a
35 new motor vehicle dealer, who buys, sells, auctions, exchanges or offers
36 or attempts to negotiate a sale or exchange of an interest in, or who is
37 engaged in the business of selling, seven or more used motor vehicles in a
38 continuous twelve month period. Used motor vehicle dealer does not
39 include a wholesale motor vehicle auction dealer or a public consignment
40 auction dealer.

41 ~~36.~~ 35. "Wholesale motor vehicle auction dealer" means a person
42 who both:

43 (a) Is in the business of providing auction services solely in
44 wholesale transactions to motor vehicle dealers licensed by this state or
45 any other jurisdiction.

1 (b) Does not buy, sell or own the motor vehicles the auction dealer
2 auctions in the ordinary course of business.

3 ~~37.~~ 36. "Wholesale motor vehicle dealer" means a person who sells
4 used motor vehicles only to licensed motor vehicle dealers.

5 Sec. 7. Section 44-1321, Arizona Revised Statutes, is amended to
6 read:

7 44-1321. Definitions

8 In this article, unless the context otherwise requires:

9 1. "Automotive recycler" has the same meaning prescribed in section
10 ~~28-4301~~ 28-101.

11 2. "Industrial account" means a person or business entity that
12 files or is required to file monthly returns for that person's or entity's
13 transaction privilege tax license or a governmental entity that sells lead
14 acid batteries to an automotive recycler.

15 3. "Lead acid battery" means a battery with a core of elemental
16 lead and a capacity of six or more volts that is suitable for use in a
17 vehicle or a boat.

18 4. "Peace officer" includes a law enforcement officer who is
19 employed by the department of transportation.

20 5. "Used automotive components dealer":

21 (a) Means any business that purchases used components of a motor
22 vehicle with the intent to resell.

23 (b) Does not include:

24 (i) An automotive recycler who is licensed pursuant to title 28,
25 chapter 10.

26 (ii) A lead acid battery seller who is required to accept lead acid
27 batteries pursuant to section 44-1323, subsection A.

28 Sec. 8. Section 44-1641, Arizona Revised Statutes, is amended to
29 read:

30 44-1641. Definitions

31 In this article, unless the context otherwise requires:

32 1. "Business records" means records of any purchase, trade, barter
33 or other transaction that involves the receipt of scrap metals and that is
34 made in the ordinary course of business at or near the time of the
35 purchase, trade, barter or transaction including receipts, books or
36 similar records as prescribed by section 44-1642, but does not include
37 correspondence, tax returns or financial statements.

38 2. "Department" means the department of public safety.

39 3. "Ferrous metals":

40 (a) Means those metals that will attract a magnet.

41 (b) **INCLUDES A SCRAP VEHICLE.**

42 4. "Industrial account" means a person or business entity that
43 files or is required to file monthly returns for that person's or entity's
44 transaction privilege tax licenses or a governmental entity that sells
45 scrap metal to a scrap metal dealer.

1 5. "Scrap metal dealers" means each person or business entity
2 including all employees of the person or business entity, except
3 automotive recyclers ~~as defined and~~ THAT ARE licensed pursuant to title
4 28, chapter 10, and whose primary business is the dismantling, selling or
5 disposing of parts or accessories of motor vehicles engaged in the
6 business of purchasing, trading, bartering or otherwise receiving
7 secondhand or castoff material of any kind ~~which~~ THAT is commonly known as
8 scrap metal.

9 6. "Scrap metals" includes insulated and uninsulated metallic
10 cables AND SCRAP VEHICLES.

11 7. "SCRAP VEHICLE" MEANS A VEHICLE THAT HAS BEEN CRUSHED OR
12 FLATTENED BY MECHANICAL MEANS SO THAT BOTH OF THE FOLLOWING APPLY:

13 (a) THE VEHICLE IS NOT THE VEHICLE THAT IS DESCRIBED BY THE
14 CERTIFICATE OF TITLE.

15 (b) THE VEHICLE IS LESS THAN FIFTY PERCENT OF ITS ORIGINAL VOLUME
16 IN CUBIC FEET.

17 Sec. 9. Title 44, chapter 11, article 3.1, Arizona Revised
18 Statutes, is amended by adding section 44-1642.02, to read:

19 44-1642.02. Scrap vehicle purchase; applicable law

20 NOTWITHSTANDING ANY OTHER LAW, ONLY TITLE 28 GOVERNS THE PURCHASE BY
21 A SCRAP METAL DEALER OF A VEHICLE AS DEFINED IN SECTION 28-101 SOLELY FOR
22 THE PURPOSE OF PROCESSING THE VEHICLE INTO A SCRAP VEHICLE OR INTO
23 PREPARED GRADES OF SCRAP METAL.