

House Engrossed

motor vehicle dealers; sales; cancellation

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

# HOUSE BILL 2292

AN ACT

AMENDING SECTIONS 28-2158 AND 28-4403, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 10, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-4424; RELATING TO MOTOR VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-2158, Arizona Revised Statutes, is amended to  
3 read:

4 28-2158. Registration card

5 A. The department shall file each application for registration. If  
6 satisfied that the application is genuine ~~and regular~~, the department  
7 shall issue a registration card to the owner of the vehicle and shall  
8 assign license plates to the vehicle.

9 B. The registration card shall contain on the face of the card all  
10 of the following:

- 11 1. The date it is issued.
- 12 2. The registration number assigned to the owner and the vehicle.
- 13 3. The name and address of the owner.
- 14 4. A description of the registered vehicle, including the serial  
15 number.
- 16 5. The amount of fees paid for registration of the vehicle.

17 C. The registration card shall be carried at all times in the  
18 driver's compartment of the vehicle for which it is issued or displayed on  
19 a wireless communication device. The registration card is subject to  
20 inspection by the director, members of the highway patrol or any peace  
21 officer.

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

24 28-4403. Record requirements; motor vehicle information;  
25 inspection; liability; electronic submission

26 A. A licensee shall keep and maintain at the licensee's established  
27 place of business, or place of business if the licensee is a broker or a  
28 wholesale motor vehicle dealer, a permanent record in the form prescribed  
29 by the director. ~~containing~~ THE PERMANENT RECORD MAY BE IN AN ELECTRONIC  
30 FORMAT AND SHALL CONTAIN:

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

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

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

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

42 5. The name and address of the person to whom the motor vehicle,  
43 motor vehicle body or motor vehicle chassis was sold or otherwise disposed  
44 of, the date it was sold or disposed of and a sufficient description of

1 the vehicle, body or chassis by name or identifying number or otherwise to  
2 identify it.

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

5 1. At the same time have possession of a duly and regularly  
6 assigned salvage certificate of title, nonrepairable vehicle certificate  
7 of title or dismantle certificate of title to the vehicle.

8 2. Not offer for sale or sell a vehicle unless a salvage  
9 certificate of title, nonrepairable vehicle certificate of title or  
10 dismantle certificate of title to the vehicle has been obtained.

11 C. Each motor vehicle dealer shall give the customer a written **OR**  
12 **ELECTRONIC** contract and shall maintain a copy of the contract for three  
13 years at the dealer's established place of business.

14 D. Each record required by this section and all inventories  
15 relating to the records of a licensee shall be available at all times for  
16 physical inspection by agents of the department or members of the highway  
17 patrol division. The agents or members may enter on premises where the  
18 records or inventories are located during normal business hours for  
19 purposes of the inspection. The licensee or any designated employee or  
20 agent may accompany any person making the inspection while the person is  
21 on the licensee's premises.

22 E. The licensee is only liable to a person making an inspection  
23 under this section for an injury arising out of the condition of the  
24 premises that occurs while the person is on the licensee's premises if the  
25 licensee knowingly allows the person to encounter a hidden peril or  
26 wantonly or wilfully causes the person harm.

27 F. A wholesale motor vehicle dealer shall submit electronically to  
28 the department any documents that are requested by the department during  
29 the wholesale motor vehicle dealer's reported business hours and that are  
30 prescribed in this section. The wholesale motor vehicle dealer shall  
31 submit the requested documents within forty-eight hours after the request  
32 is transmitted.

33 Sec. 3. Title 28, chapter 10, article 4, Arizona Revised Statutes,  
34 is amended by adding section 28-4424, to read:

35 28-4424. Motor vehicle sale rescission or cancellation

36 **A. IN THE EVENT A MOTOR VEHICLE DEALER AND A PURCHASER ELECT TO**  
37 **RESCIND OR CANCEL THE SALE OF A MOTOR VEHICLE WITHIN THIRTY DAYS OF THE**  
38 **DATE OF SUCH SALE, THE MOTOR VEHICLE DEALER SHALL DOCUMENT THE RESCISSION**  
39 **OR CANCELLATION OF THE SALE AND UPON RECEIPT OF THE FOLLOWING ITEMS FROM**  
40 **THE APPLICABLE DEPARTMENT RETURN TO THE RIGHTFUL PARTIES OF ALL FEES,**  
41 **TAXES AND OTHER MONIES IN A MANNER PRESCRIBED BY THE DEPARTMENT. THE**  
42 **DOCUMENTATION SHALL:**

43 **1. BE COMPLETED AND SUBMITTED TO THE DEPARTMENT WITHIN FIFTEEN DAYS**  
44 **AFTER THE DATE THE PARTIES AGREED TO CANCEL OR RESCIND THE SALE.**

1           2. INCLUDE A COPY OF AN AGREEMENT EXECUTED BY THE MOTOR VEHICLE  
2 DEALER, THE PURCHASER AND, IF THE PURCHASE WAS FINANCED, THE LENDER  
3 FINANCING THE PURCHASE PROVIDING FOR THE RECISSION OR CANCELLATION OF THE  
4 SALE.

5           3. INCLUDE A CERTIFICATE OF TITLE IF IT HAS BEEN ISSUED OR AN  
6 ATTESTATION THAT THE CERTIFICATE OF TITLE HAS BEEN LOST OR DESTROYED.

7           B. WITHIN SEVEN DAYS AFTER RECEIVING THE DOCUMENTATION DESCRIBED IN  
8 SUBSECTION D OF THIS SECTION, THE DEPARTMENT SHALL:

9           1. RESCIND, CANCEL OR REVOKE ANY APPLICATION FOR A CERTIFICATE OF  
10 TITLE OR ANY ISSUED CERTIFICATE OF TITLE.

11           2. REFUND TO THE MOTOR VEHICLE DEALER ANY FEES AND TAXES THAT THE  
12 MOTOR VEHICLE DEALER PAID TO THE DEPARTMENT, EXCEPT THE FEE PRESCRIBED IN  
13 SECTION 28-2003, SUBSECTION A, PARAGRAPH 1, AND ANY FEES RETAINED BY THE  
14 DEPARTMENT, REIMBURSED TO THE DEPARTMENT OR ASSESSED IN ADDITION TO  
15 PRESCRIBED FEES BY AN AGENT, AN AUTHORIZED THIRD PARTY OR AN AUTHORIZED  
16 THIRD PARTY ELECTRONIC SERVICE PROVIDER AS DEFINED IN SECTION 28-5100.

17           3. ISSUE A CERTIFICATE OF TITLE TO THE MOTOR VEHICLE DEALER THAT  
18 SHOWS THE MOTOR VEHICLE DEALER AS THE OWNER AND THE ODOMETER MILEAGE  
19 READING AS RECORDED AT THE TIME OF THE SALE THAT IS SUBJECT TO THE  
20 RESCISSION OR CANCELLATION.

21           C. IF A MOTOR VEHICLE IS SUBJECT TO SUBSECTION D OF THIS SECTION, A  
22 MOTOR VEHICLE DEALER MAY NOT OFFER FOR RETAIL SALE THE MOTOR VEHICLE THAT  
23 IS THE SUBJECT OF THE SALE RESCISSION OR CANCELLATION UNTIL THE MOTOR  
24 VEHICLE DEALER HAS RECEIVED THE CERTIFICATE OF TITLE PURSUANT TO  
25 SUBSECTION E OF THIS SECTION.

26           D. A RESCISSION OR CANCELLATION UNDER THIS SECTION DOES NOT NEGATE  
27 THAT THE MOTOR VEHICLE HAS BEEN THE SUBJECT OF A PREVIOUS RETAIL SALE.

28           E. A MOTOR VEHICLE DEALER SHALL RETURN ALL AMOUNTS RECEIVED FROM A  
29 LIENHOLDER OR PROSPECTIVE LIENHOLDER IN CONNECTION WITH THE FINANCING OF  
30 THE RESCINDED OR CANCELLED SALE TO THE LIENHOLDER OR PROSPECTIVE  
31 LIENHOLDER NOT MORE THAN THREE BUSINESS DAYS AFTER THE MOTOR VEHICLE  
32 DEALER AND PURCHASER AGREE TO RESCIND OR CANCEL THE SALE.