

Senate Engrossed

vehicle titles; out-of-state purchase

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1208

AN ACT

AMENDING SECTIONS 28-2053 AND 28-2056, ARIZONA REVISED STATUTES; RELATING
TO CERTIFICATES OF TITLE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 28-2053, Arizona Revised Statutes, is amended to
3 read:

4 28-2053. Certificate of title without registration;
5 certificate of title pending registration

6 A. The department may only issue a vehicle certificate of title
7 without registration for a vehicle that is physically present in this
8 state for any of the following reasons:

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

11 2. The applicant certifies that the vehicle was acquired for
12 purposes other than highway use.

13 3. The vehicle was acquired by operation of law.

14 4. The vehicle is an off-road recreational motor vehicle required
15 to be issued a certificate of title pursuant to section 28-2061.

16 B. The department shall issue a certificate of title without
17 registration for either of the following reasons:

18 1. The owner will register the vehicle under article 7 or 8 of this
19 chapter.

20 2. The vehicle is a trailer or semitrailer that will be used in
21 interstate commerce and that is registered in another state.

22 C. THE DEPARTMENT MAY ISSUE A VEHICLE CERTIFICATE OF TITLE PENDING
23 REGISTRATION FOR A VEHICLE PURCHASED OUT OF STATE IF EITHER OF THE
24 FOLLOWING OCCURS:

25 1. THE VEHICLE WAS SOLD TO A RESIDENT OF THIS STATE BY AN
26 OUT-OF-STATE DEALER.

27 2. THE VEHICLE WAS SOLD TO A RESIDENT OF THIS STATE BY AN
28 OUT-OF-STATE DEALER AND A LIEN OR ENCUMBRANCE IS FILED ON THE VEHICLE BY
29 AN OUT-OF-STATE DEALER OR FINANCE COMPANY.

30 D. IF A VEHICLE CERTIFICATE OF TITLE IS ISSUED PURSUANT TO
31 SUBSECTION C OF THIS SECTION, A RESIDENT OF THIS STATE SHALL COMPLETE THE
32 REGISTRATION OF THE VEHICLE AS PRESCRIBED IN THIS CHAPTER.

33 Sec. 2. Section 28-2056, Arizona Revised Statutes, is amended to
34 read:

35 28-2056. Transfer or registration of vehicle; collection of
36 use tax

37 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, the
38 registering officer shall collect the use tax imposed under title 42,
39 chapter 5, article 4 and under the model city tax code pursuant to title
40 42, chapter 6, article 2 at the time of application for a transfer of
41 title or registration of a vehicle. The registering officer shall issue a
42 receipt, in a form prescribed by the department, for the amount of tax
43 paid. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, the registering
44 officer shall not process an application for transfer of title or
45 registration of any vehicle on which the use tax is imposed under title

1 42, chapter 5, article 4 and under the model city tax code pursuant to
2 title 42, chapter 6, article 2 until the tax is paid.

3 ~~B.~~ B. THE REGISTERING OFFICER MAY PROCESS AN APPLICATION FOR THE
4 VEHICLE CERTIFICATE OF TITLE PENDING REGISTRATION ISSUED PURSUANT TO
5 SECTION 28-2053, SUBSECTION C WITHOUT COLLECTING THE TAX IMPOSED UNDER
6 TITLE 42, CHAPTER 5, ARTICLE 4 AND UNDER THE MODEL CITY TAX CODE PURSUANT
7 TO TITLE 42, CHAPTER 6, ARTICLE 2 IF AT THE TIME OF REGISTERING THE
8 VEHICLE THE TAXES ARE COLLECTED.

9 ~~B.~~ C. The department of transportation shall notify the department
10 of revenue of taxes collected pursuant to this section. At the end of
11 each month the department of transportation shall deposit, pursuant to
12 sections 35-146 and 35-147, tax monies collected pursuant to this section
13 in the state general fund.

14 ~~C.~~ D. The department of revenue shall provide the department of
15 transportation with the means, including using tax rates applicable to
16 each jurisdiction levying a use tax, to calculate the use taxes required
17 to be collected pursuant to ~~subsection~~ SUBSECTIONS A AND B of this
18 section.