

House Engrossed

salvage vehicles; abandoned; insurance claim

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2256

AN ACT

AMENDING TITLE 28, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY
ADDING SECTION 28-2099; RELATING TO SALVAGE VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 28, chapter 7, article 3, Arizona Revised
3 Statutes, is amended by adding section 28-2099, to read:

4 28-2099. Salvage auction dealers; salvage vehicles; unpaid
5 insurance claim; notice; procedures; definitions

6 A. AN INSURANCE COMPANY MAY REQUEST A SALVAGE AUCTION DEALER TO
7 TAKE ACTIONS PRESCRIBED IN THIS SECTION REGARDING A SALVAGE VEHICLE THAT
8 IS LOCATED ON THE SALVAGE AUCTION DEALER'S PROPERTY AND THAT IS SUBJECT TO
9 AN INSURANCE CLAIM AFTER SATISFYING ALL OF THE REQUIREMENTS OF SECTION
10 28-4847 AND PAYING ALL FEES THAT ARE OWED TO THE STORAGE FACILITY THAT
11 HELD THE SALVAGE VEHICLE BEFORE THE SALVAGE AUCTION DEALER ACQUIRED THE
12 SALVAGE VEHICLE.

13 B. IF AN INSURANCE COMPANY SUBSEQUENTLY DOES NOT OBTAIN THE
14 CERTIFICATE OF TITLE TO THE SALVAGE VEHICLE DUE TO DENIAL OF THE INSURANCE
15 CLAIM, LACK OF COVERAGE ON THE POLICY OR LACK OF COOPERATION FROM THE
16 SALVAGE VEHICLE'S OWNER, THE INSURANCE COMPANY SHALL PROVIDE NOTICE TO THE
17 SALVAGE AUCTION DEALER TO RELEASE THE SALVAGE VEHICLE TO THE OWNER OR ANY
18 LIENHOLDER ON RECORD WITH THE DEPARTMENT. THE NOTICE MAY BE DELIVERED TO
19 THE SALVAGE AUCTION DEALER BY A COMMERCIAL DELIVERY SERVICE, EMAIL OR A
20 PROPRIETARY ELECTRONIC SYSTEM THAT IS ACCESSIBLE BY BOTH THE INSURANCE
21 COMPANY AND THE SALVAGE AUCTION DEALER.

22 C. ON RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION B OF THIS
23 SECTION, THE SALVAGE AUCTION DEALER SHALL DELIVER TO THE ADDRESS OF THE
24 OWNER OF THE SALVAGE VEHICLE OR ANY LIENHOLDER ON RECORD WITH THE
25 DEPARTMENT A LETTER BY CERTIFIED MAIL, OR OTHER COMMERCIALY AVAILABLE
26 DELIVERY SERVICE THAT PROVIDES PROOF OF DELIVERY, INFORMING THE OWNER OR
27 LIENHOLDER:

28 1. THAT THE SALVAGE VEHICLE IS AVAILABLE FOR PICK UP NOT LATER THAN
29 THIRTY DAYS AFTER THE NOTICE IS DELIVERED.

30 2. OF ANY OUTSTANDING CHARGES OWED TO THE SALVAGE AUCTION DEALER.

31 D. IF THE SALVAGE VEHICLE IS NOT PICKED UP AND THE INVOICE IS NOT
32 PAID WITHIN FOURTEEN DAYS AFTER DELIVERY OF THE FIRST NOTICE, THE SALVAGE
33 AUCTION DEALER SHALL SEND A SECOND NOTICE BY CERTIFIED MAIL, OR OTHER
34 COMMERCIALY AVAILABLE DELIVERY SERVICE THAT PROVIDES PROOF OF DELIVERY,
35 TO THE ADDRESS OF THE OWNER OF THE SALVAGE VEHICLE OR ANY LIENHOLDER ON
36 RECORD WITH THE DEPARTMENT.

37 E. IF THE SALVAGE VEHICLE IS NOT PICKED UP AND THE INVOICE IS NOT
38 PAID WITHIN THIRTY DAYS AFTER DELIVERY OF THE FIRST NOTICE, THE SALVAGE
39 VEHICLE IS CONSIDERED AN ABANDONED VEHICLE AS DEFINED IN SECTION 28-4801,
40 AND THE SALVAGE VEHICLE'S CERTIFICATE OF TITLE IS DEEMED TO BE ASSIGNED TO
41 THE SALVAGE AUCTION DEALER IN POSSESSION OF THE SALVAGE VEHICLE. THE
42 SALVAGE AUCTION DEALER MAY REQUEST, WITHOUT SURRENDERING THE CERTIFICATE
43 OF TITLE, A SALVAGE CERTIFICATE OF TITLE OR NONREPAIRABLE VEHICLE
44 CERTIFICATE OF TITLE FOR THE SALVAGE VEHICLE THAT IS FREE AND CLEAR OF ALL
45 LIENS OR ENCUMBRANCES. THE REQUEST SHALL DO ALL OF THE FOLLOWING:

- 1 1. BE ON A FORM PRESCRIBED BY THE DEPARTMENT.
- 2 2. INCLUDE A COPY OF THE NOTICE AND PROOF OF DELIVERY TO THE OWNER
- 3 OF THE SALVAGE VEHICLE OR ANY LIENHOLDER ON RECORD WITH THE DEPARTMENT AS
- 4 REQUIRED BY SUBSECTIONS C AND D OF THIS SECTION. THE DEPARTMENT SHALL
- 5 ACCEPT EVIDENCE THAT THE NOTICES SENT TO THE ADDRESS OF THE OWNER OF THE
- 6 SALVAGE VEHICLE OR ANY LIENHOLDER ON RECORD WITH THE DEPARTMENT WERE
- 7 RETURNED TO THE SALVAGE AUCTION DEALER AS UNDELIVERABLE TO FULFILL THIS
- 8 REQUIREMENT.
- 9 3. BE ACCOMPANIED BY A FEE FOR A CERTIFICATE OF TITLE THAT IS FREE
- 10 AND CLEAR OF ALL LIENS OR ENCUMBRANCES IN AN AMOUNT TO BE DETERMINED BY
- 11 THE DEPARTMENT.
- 12 F. NOTWITHSTANDING ANY LIEN AGAINST THE SALVAGE VEHICLE, THE
- 13 DEPARTMENT SHALL ISSUE A CERTIFICATE OF TITLE THAT IS FREE AND CLEAR OF
- 14 ALL LIENS OR ENCUMBRANCES TO THE SALVAGE AUCTION DEALER AFTER SATISFYING
- 15 ALL OF THE REQUIREMENTS OF SUBSECTION E OF THIS SECTION.
- 16 G. FOR THE PURPOSES OF THIS SECTION:
- 17 1. "SALVAGE AUCTION DEALER" MEANS A PERSON THAT IS LICENSED
- 18 PURSUANT TO CHAPTER 10 OF THIS TITLE AND WHOSE PRIMARY BUSINESS IS THE
- 19 SALE OF SALVAGE VEHICLES ON BEHALF OF INSURERS.
- 20 2. "SALVAGE VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION
- 21 28-2091.