

REFERENCE TITLE: salvage vehicles; abandoned; insurance claim

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

HB 2256

Introduced by
Representative Biasiucci

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 POSSESSION OF A SALVAGE VEHICLE THAT IS SUBJECT TO AN INSURANCE CLAIM
8 AFTER SATISFYING ALL OF THE REQUIREMENTS OF SECTION 28-4847.

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

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

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

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

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

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

42 1. BE ON A FORM PRESCRIBED BY THE DEPARTMENT.

43 2. INCLUDE A COPY OF THE NOTICE AND PROOF OF DELIVERY TO THE OWNER
44 OF THE SALVAGE VEHICLE OR ANY LIENHOLDER ON RECORD WITH THE DEPARTMENT AS
45 REQUIRED BY SUBSECTIONS C AND D OF THIS SECTION. THE DEPARTMENT SHALL

1 ACCEPT EVIDENCE THAT THE NOTICES SENT TO THE ADDRESS OF THE OWNER OF THE
2 SALVAGE VEHICLE OR ANY LIENHOLDER ON RECORD WITH THE DEPARTMENT WERE
3 RETURNED TO THE SALVAGE AUCTION DEALER AS UNDELIVERABLE TO FULFILL THIS
4 REQUIREMENT.

5 3. BE ACCOMPANIED BY A FEE FOR A CERTIFICATE OF TITLE THAT IS FREE
6 AND CLEAR OF ALL LIENS OR ENCUMBRANCES IN AN AMOUNT TO BE DETERMINED BY
7 THE DEPARTMENT.

8 F. NOTWITHSTANDING ANY LIEN AGAINST THE SALVAGE VEHICLE, THE
9 DEPARTMENT SHALL ISSUE A CERTIFICATE OF TITLE THAT IS FREE AND CLEAR OF
10 ALL LIENS OR ENCUMBRANCES TO THE SALVAGE AUCTION DEALER AFTER SATISFYING
11 ALL OF THE REQUIREMENTS OF SUBSECTION E OF THIS SECTION.

12 G. FOR THE PURPOSES OF THIS SECTION:

13 1. "SALVAGE AUCTION DEALER" MEANS A PERSON THAT IS LICENSED
14 PURSUANT TO CHAPTER 10 OF THIS TITLE AND WHOSE PRIMARY BUSINESS IS THE
15 SALE OF SALVAGE VEHICLES ON BEHALF OF INSURERS.

16 2. "SALVAGE VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION
17 28-2091.