

Senate Engrossed House Bill

~~failure to return vehicle; repeat.~~
(now: failure to return vehicle)

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

HOUSE BILL 2484

AN ACT

REPEALING SECTION 13-1813, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 7, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-2138; 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. Repeal
3 Section ~~13-1813~~, Arizona Revised Statutes, is repealed.
4 Sec. 2. Title 28, chapter 7, article 4, Arizona Revised Statutes,
5 is amended by adding section 28-2138, to read:
6 ~~28-2138.~~ Return of a motor vehicle that is subject to a
7 security interest; suspended registration and
8 license plate
9 A. A PERSON MUST RETURN A MOTOR VEHICLE THAT IS SUBJECT TO A
10 SECURITY INTEREST IF ALL OF THE FOLLOWING APPLY:
11 1. THE PERSON FAILS TO MAKE A PAYMENT ON THE LIEN FOR MORE THAN
12 NINETY DAYS.
13 2. THE SECURED CREDITOR NOTIFIES THE OWNER IN WRITING, BY CERTIFIED
14 MAIL RETURN RECEIPT REQUESTED, THAT THE OWNER IS NINETY DAYS LATE IN
15 MAKING A PAYMENT AND IS IN DEFAULT. THE NOTICE SHALL INCLUDE THE
16 FOLLOWING:
17 (a) A STATEMENT STATING:
18 YOU ARE NOW IN DEFAULT ON LOAN AGREEMENT #_____
19 IF YOU FAIL TO RETURN THE _____ (YEAR OF
20 VEHICLE, MAKE, MODEL) WITHIN THIRTY DAYS, THE MOTOR VEHICLE'S
21 REGISTRATION AND ASSIGNED LICENSE PLATE WILL BE SUSPENDED.
22 (b) THE BUSINESS ADDRESS AND HOURS OF OPERATION FOR RETURN OF THE
23 MOTOR VEHICLE.
24 (c) THE MAXIMUM PENALTIES FOR FAILING TO RETURN A MOTOR VEHICLE
25 THAT IS SUBJECT TO A SECURITY INTEREST.
26 3. THE OWNER FAILS TO CURE THE DEFAULT WITHIN THIRTY DAYS.
27 4. WITH THE INTENT TO HINDER OR PREVENT THE ENFORCEMENT OF THE
28 SECURED CREDITOR'S SECURITY INTEREST, THE OWNER KNOWINGLY FAILS TO DO
29 EITHER OF THE FOLLOWING:
30 (a) RETURN THE MOTOR VEHICLE TO THE SECURED CREDITOR.
31 (b) ALLOW THE SECURED CREDITOR TO TAKE POSSESSION OF THE MOTOR
32 VEHICLE.
33 B. THE ORIGINAL CONTRACT CREATING THE SECURITY INTEREST IN THE
34 MOTOR VEHICLE SHALL CONTAIN THE FOLLOWING INFORMATION:
35 1. A STATEMENT THAT THE PERSON MUST RETURN A MOTOR VEHICLE THAT IS
36 SUBJECT TO A SECURITY INTEREST WITHIN THIRTY DAYS AFTER RECEIVING NOTICE
37 OF DEFAULT.
38 2. A STATEMENT THAT NOTICE OF DEFAULT WILL BE MAILED TO THE ADDRESS
39 ON THE LOAN AGREEMENT AND THAT IT IS THE RESPONSIBILITY OF THE OWNER TO
40 KEEP THE LISTED ADDRESS CURRENT.
41 3. THE MAXIMUM PENALTY FOR FAILING TO RETURN A MOTOR VEHICLE THAT
42 IS SUBJECT TO A SECURITY INTEREST.
43 C. SUBSECTION A OF THIS SECTION DOES NOT APPLY IF ANY OF THE
44 FOLLOWING CONDITIONS EXISTS:

1 1. THE OWNER WAS PHYSICALLY INCAPACITATED AND UNABLE TO REQUEST OR
2 OBTAIN PERMISSION OF THE SECURED CREDITOR TO RETAIN THE MOTOR VEHICLE.

3 2. THE MOTOR VEHICLE ITSELF WAS IN A CONDITION, THROUGH NO
4 INTENTIONAL FAULT OF THE OWNER, THAT IT COULD NOT BE RETURNED TO THE
5 SECURED CREDITOR WITHIN THE SPECIFIED TIME AND THE OWNER HAS NOTIFIED THE
6 SECURED CREDITOR OF THE CONDITION OF THE MOTOR VEHICLE.

7 3. THE OWNER HAS A SECURITY INTEREST PURSUANT TO SECTION 47-2711,
8 SUBSECTION C.

9 D. IF A LAW ENFORCEMENT AGENCY SEIZES THE MOTOR VEHICLE, THE
10 SECURED CREDITOR SHALL BE RESPONSIBLE FOR ALL TOWING, STORAGE AND RELATED
11 FEES OR CHARGES.

12 E. IF A PERSON DOES NOT RETURN A MOTOR VEHICLE PURSUANT TO THIS
13 SECTION, THE SECURED CREDITOR MAY FILE AN AFFIDAVIT WITH THE DEPARTMENT
14 STATING THAT THE PERSON HAS NOT RETURNED A MOTOR VEHICLE THAT IS SUBJECT
15 TO A SECURITY INTEREST PURSUANT TO THIS SECTION. ON RECEIPT OF THE
16 AFFIDAVIT, THE DEPARTMENT SHALL IMMEDIATELY SUSPEND THE REGISTRATION OF,
17 AND ANY LICENSE PLATE ASSIGNED TO, THE MOTOR VEHICLE. THE DEPARTMENT MAY
18 NOT TRANSFER THE MOTOR VEHICLE'S SUSPENDED REGISTRATION OR LICENSE PLATE
19 OR REREGISTER THE MOTOR VEHICLE UNTIL THE SECURED CREDITOR NOTIFIES THE
20 DEPARTMENT THAT THE MOTOR VEHICLE IS RECOVERED.