

Senate Engrossed House Bill

~~motor vehicle dealers; sales; cancellation~~
(now: transportation; vehicle sales; license providers)

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

CHAPTER 175
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; AMENDING SECTION 28-5101.01, ARIZONA REVISED STATUTES; 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
45 the vehicle, body or chassis by name or identifying number or otherwise to
46 identify it.

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

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

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

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

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

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

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

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

33 **28-4424. Motor vehicle sale rescission or cancellation**

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

42 **1. BE COMPLETED AND SUBMITTED TO THE DEPARTMENT WITHIN FIFTEEN**
43 **BUSINESS DAYS AFTER THE DATE THE PARTIES AGREED TO CANCEL OR RESCIND THE**
44 **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 BUSINESS DAYS AFTER RECEIVING THE DOCUMENTATION
8 DESCRIBED IN SUBSECTION A 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:

13 (a) THE FEE PRESCRIBED IN SECTION 28-2003, SUBSECTION A,
14 PARAGRAPH 1.

15 (b) ALL APPLICABLE FEES, REIMBURSEMENTS AND RETAINED MONIES THAT
16 ARE AUTHORIZED BY SECTION 28-5101, SUBSECTIONS F, G AND H.

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 RESCISSION OR CANCELLATION.

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

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

27 E. IN CONNECTION WITH THE FINANCING OF A RESCINDED OR CANCELED
28 MOTOR VEHICLE SALE, A MOTOR VEHICLE DEALER SHALL RETURN TO A LIENHOLDER OR
29 A PROSPECTIVE LIENHOLDER:

30 1. ALL MONIES THAT THE MOTOR VEHICLE DEALER RECEIVES PURSUANT TO
31 SUBSECTION B, PARAGRAPH 2 OF THIS SECTION. THE MOTOR VEHICLE DEALER SHALL
32 RETURN THE MONIES DESCRIBED IN THIS PARAGRAPH WITHIN THREE BUSINESS DAYS
33 AFTER RECEIVING THE MONIES FROM THE DEPARTMENT.

34 2. ALL OTHER MONIES THAT THE MOTOR VEHICLE DEALER RECEIVES FROM THE
35 LIENHOLDER OR THE PROSPECTIVE LIENHOLDER. THE MOTOR VEHICLE DEALER SHALL
36 RETURN THE MONIES DESCRIBED IN THIS PARAGRAPH WITHIN THREE BUSINESS DAYS
37 AFTER THE MOTOR VEHICLE DEALER AND THE PURCHASER AGREE TO RESCIND OR
38 CANCEL THE SALE.

39 Sec. 4. Section 28-5101.01, Arizona Revised Statutes, is amended to
40 read:

41 28-5101.01. Authorized third party driver license providers;
42 requirements

43 A. Except as provided in section 28-5101.03, an authorized third
44 party driver license provider must perform both of the following:

- 45 1. Driver license skills and written testing.
46 2. Driver license processing.

1 B. A person who is a third party driver license provider authorized
2 pursuant to this section may also be authorized pursuant to this article
3 to perform certain title and registration functions.

4 C. A person who applies for authorization pursuant to this section
5 shall submit with the application all of the following:

6 1. A bond in a form to be approved by the director and in an amount
7 of at least \$300,000 for an initial application for authorization pursuant
8 to this section and an additional \$100,000 for each additional location
9 providing driver license functions prescribed in subsection A of this
10 section, except that if the authorized third party is also authorized
11 pursuant to this article to perform certain title and registration
12 functions at the same location only a single \$100,000 bond is required for
13 that location. The total bond amount required by this paragraph shall not
14 exceed \$1,000,000. The bond requirements of this paragraph do not apply
15 to government entities prescribed in section 28-5104, subsection E,
16 paragraphs 1, 2, 3, 5 and 11.

17 2. Documentation that the applicant satisfies all of the following:

18 (a) Has been an authorized third party pursuant to this chapter for
19 at least the immediately preceding three years.

20 (b) Has conducted an average of at least one thousand retention
21 transactions per month for the previous calendar year.

22 (c) Is in good standing with the department.

23 (d) Has a facility plan for each location that shows adequate space
24 and equipment necessary to perform the functions prescribed in subsection
25 A of this section.

26 3. Documentation that the applicant has during business hours at
27 least one certified processor qualified to perform at a minimum all of the
28 following at each location:

29 (a) Fraudulent document recognition.

30 (b) Ignition interlock requirements.

31 (c) Driver license reinstatements.

32 D. A third party driver license provider authorized pursuant to
33 this section must comply with all quality control requirements prescribed
34 by the department.

35 E. A third party driver license provider authorized pursuant to
36 subsection A of this section may perform administrative ~~and~~ FUNCTIONS OR
37 testing functions OR BOTH ADMINISTRATIVE FUNCTIONS AND TESTING FUNCTIONS
38 for the issuance and renewal of commercial driver licenses as authorized
39 by the director and pursuant to federal law.

40 Sec. 5. Effective date

41 Section 28-4424, Arizona Revised Statutes, as added by this act, is
42 effective from and after December 31, 2023.

APPROVED BY THE GOVERNOR JUNE 19, 2023.

H.B. 2292

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 19, 2023.