



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR H.B. 2292

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

Purpose

Allows, effective January 1, 2024, a motor vehicle dealer and purchaser to agree to rescind or cancel a motor vehicle sale, requires monies to be returned to the rightful parties and outlines documentation requirements. Allows an authorized third party (ATP) driver license provider to perform administrative or testing functions, or both, and motor vehicle contracts and records to be in an electronic form, as specified.

Background

A licensed motor vehicle dealer, including a wholesale motor vehicle dealer or broker, must keep and maintain at the licensee's place of business a permanent record, as prescribed by the Director of the Arizona Department of Transportation (ADOT), containing: 1) a description of each motor vehicle that was bought, sold, brokered or exchanged or received or accepted for sale, brokering or exchange, each used motor vehicle body or chassis that is sold or otherwise disposed of, and each vehicle that is bought or otherwise acquired and wrecked; 2) the name and address of a person from whom a vehicle, body or chassis was purchased or otherwise acquired and the date of purchase or acquisition; and 3) the name and address of a person to whom a vehicle, body or chassis was sold or otherwise disposed of, the date it was sold or disposed of and a sufficient description of the vehicle, body or chassis to identify it. A motor vehicle dealer must provide a customer with a written contract and maintain a copy of the contract for three years at the dealer's established place of business ([A.R.S. § 28-4403](#)).

An ATP is an entity that has executed a written agreement and is authorized by ADOT to perform limited or specific functions but is not authorized by ADOT to function as an ATP electronic service provider ([A.R.S. § 28-5100](#)). An ATP driver license provider may perform administrative and testing functions for the issuance and renewal of commercial driver licenses and must: 1) perform licensing skills and written testing; 2) perform license processing; and 3) comply with quality control requirements, as prescribed by ADOT ([A.R.S. § 28-5101.01](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Rescinded or Canceled Vehicle Sales (Effective January 1, 2024)

1. Allows a motor vehicle dealer and purchaser to elect to rescind or cancel a motor vehicle sale within 30 days after the date of the certificate of title application.

2. Requires a motor vehicle dealer, within 15 business days of agreeing to cancel or rescind, to document the vehicle sale rescission or cancellation and to complete and submit the documentation to ADOT in a manner prescribed by ADOT on receipt of the required items from the applicable department.
3. Requires the documentation to include:
 - a) a copy of the agreement executed by the dealer and purchaser, and financing lender if the purchase was financed; and
 - b) a certificate of title, if issued, or an attestation to the loss or destruction of the title.
4. Requires ADOT, within seven business days of receiving documentation, to:
 - a) rescind, cancel or revoke any certificate of title issued or applied for;
 - b) refund to the motor vehicle dealer any taxes and fees the dealer paid to ADOT; and
 - c) issue a certificate of title to the dealer that shows the dealer as the vehicle owner and the odometer mileage reading as recorded at the time of the rescinded or cancelled sale.
5. Excludes, from the monies that must be refunded to a motor vehicle dealer, a certificate of title fee and all applicable fees, reimbursements and retained monies that are authorized for an ATP or third-party electronic service provider.
6. Prohibits a motor vehicle dealer from offering a motor vehicle subject to a sale rescission or cancellation for retail sale until the dealer receives the certificate of title from ADOT.
7. Requires a motor vehicle dealer to return all fees, taxes and other monies to the rightful parties.
8. Requires a motor vehicle dealer, in connection with the financing of a rescinded or cancelled sale, to return to a lienholder or prospective lienholder:
 - a) fees and taxes that are refunded to the dealer within three business days of receiving the monies from ADOT; and
 - b) all other monies that the dealer receives from a lienholder or prospective lienholder within three business days of agreeing to rescind or cancel a sale.
9. Specifies that a sale rescission or cancellation does not negate that a motor vehicle has been the subject of a previous retail sale.

Miscellaneous

10. Allows an ATP driver license provider to perform administrative functions or testing functions, or both, rather than perform administrative and testing functions, for the issuance and renewal of commercial driver licenses.
11. Allows a licensed motor vehicle dealer, including a broker or wholesale motor vehicle dealer, to keep and maintain the required permanent record in an electronic format.
12. Allows a motor vehicle dealer to provide a customer with an electronic contract.
13. Requires ADOT to determine that a vehicle registration application is genuine, rather than genuine and regular, before issuing a registration card to an owner and license plate to a vehicle.

14. Makes conforming changes.

15. Becomes effective on the general effective date, with a delayed effective date as noted.

Amendments Adopted by Committee of the Whole

1. Allows an ATP driver license provider to perform administrative functions or testing functions, or both.
2. Allows a motor vehicle sale to be rescinded or canceled within 30 days after the date of title application, rather than 30 days after the date of sale.
3. Requires a dealer to submit documentation to ADOT in a manner prescribed by ADOT and on receipt of outlined items from the applicable department.
4. Specifies that the 15-day and 7-day timeframes are business days.
5. Excludes, from the monies refunded to the dealer, all applicable monies authorized for third parties, rather than any fees retained or reimbursed by ADOT or assessed in addition to prescribed fees by an agent, authorized third party or third-party electronic service provider.
6. Adds a delayed effective date of January 1, 2024, to the requirements for a rescinded or canceled vehicle sale.
7. Makes technical and conforming changes.

House Action

TI 2/8/23 DPA 10-0-1-0
3rd Read 2/21/23 60-0-0

Senate Action

TAT 3/6/23 DP 7-0-0

Prepared by Senate Research

June 12, 2023

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