



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR S.B. 1467

ADOT; authorized third parties; revocation

Purpose

Requires the Director of the Arizona Department of Transportation (ADOT) to revoke the authorization or certification, or both, of an authorized third party (ATP) that does not meet prescribed requirements for authorization and outlines related notification requirements.

Background

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 to function as an ATP electronic service provider ([A.R.S. § 28-5100](#)). The Director of ADOT (Director) may authorize an ATP to perform functions carried out by the Motor Vehicle Division, including: 1) title and registration; 2) motor carrier licensing and tax reporting; 3) dealer licensing; and 4) driver licensing, as prescribed.

Each applicant who owns 20 percent or more of an entity, each partner or stockholder who owns 20 percent or more of an entity and each person who is an employee of an ATP who has access to personal information obtained from ADOT or customers or monies collected on behalf of the state and who seeks authorization or certification, or both, must provide a: 1) full set of fingerprints to ADOT to obtain a state and federal criminal records check; and 2) nonrefundable fee to the Department of Public Safety for the criminal records check. Within 20 days of completion of the criminal records check, the Director must approve or deny the application and advise an applicant in writing of a denial and the grounds for denial. Within 30 days of receiving notice, the applicant may petition the Director in writing for a hearing on the application. An ATP that adds a partner or stockholder who owns 20 percent or more of the entity must undergo the same application process. If the individual is found ineligible, the Director must advise the ATP and the individual in writing and that the ATP's authorization will be revoked unless the individual is removed from the position.

The Director may deny an application for authorization or certification, or both, if any individual included in the application has: 1) made a misrepresentation or misstatement in the application, as specified; 2) been convicted in any U.S. state, territory or possession or any foreign country of fraud or an auto-related felony within the preceding 10 years or any other felony within the preceding 5 years; 3) violated an ADOT rule or policy; or 4) been involved in any activity that the Director determines to be inappropriate in relation to the authority granted ([A.R.S. § 28-5101](#)).

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

Provisions

1. Requires the Director to revoke an authorization or certification, or both, if an ATP does not meet the prescribed requirements for authorization.
2. Requires the Director to advise the ATP, in writing, of the revocation and the grounds for revocation.
3. Allows a person, within 30 days after receiving the notice of revocation, to petition the Director in writing for a hearing on the revocation.
4. Stipulates that, if the person does not request a hearing within 30 days, the revocation is final.
5. Makes technical and conforming changes.
6. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Requires the Director to revoke an authorization, certification or both if an ATP does not meet the prescribed requirements for ATPs, rather than the prescribed standards for third parties.
2. Removes the 20-day timeframe within which the Director must advise a third party of a revocation.
3. Makes technical and conforming changes.

Senate Action

TTMC 2/15/24 DPA 7-0-0

Prepared by Senate Research

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KJA/cs