

State of Arizona  
House of Representatives  
Forty-second Legislature  
Second Regular Session  
1996

**FILED**

**Jane Dee Hull  
Secretary of State**

CHAPTER 263

**HOUSE BILL 2178**

AN ACT

AMENDING SECTIONS 13-4703 AND 28-205, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 28-303.02 AND 28-303.03; AMENDING SECTIONS 28-321 AND 28-321.01, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 28-321.02 AND 28-321.03; AMENDING SECTIONS 28-323, 28-1307 AND 28-1411, ARIZONA REVISED STATUTES; REPEALING SECTION 41-2997.09, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3002.20; TITLE 41, ARIZONA REVISED STATUTES, IS AMENDED BY ADDING CHAPTER 31; TRANSFERRING AND RENUMBERING SECTION 41-2417, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 41, CHAPTER 31, ARTICLE 1, ARIZONA REVISED STATUTES, AS SECTION 41-3451; AMENDING SECTION 41-3451, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING TITLE 41, CHAPTER 31, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 41-3452 AND 41-3453; MAKING APPROPRIATIONS; RELATING TO AUTOMOBILE THEFT.

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 13-4703, Arizona Revised Statutes, is amended to read:

13-4703. Forfeiture and disposition of motor vehicle, motor vehicle part, property and evidence

A. The following items used or intended for use in violation of section 13-4702 are subject to seizure and forfeiture pursuant to chapter 39 of this title:

1. A motor vehicle or motor vehicle part.
2. Any tool, instrument or other implement.

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1           3. Real property.

2           B. The following property is subject to seizure and forfeiture  
3 pursuant to chapter 39 of this title:

4           1. All proceeds traceable to an offense that is included in section  
5 13-4702 and is committed for financial gain.

6           2. All proceeds seized in this state and traceable to an offense that  
7 is chargeable or indictable under the laws of the state in which the offense  
8 occurred and if the offense occurred in a state other than this state would  
9 be chargeable or indictable under section 13-4702 if the offense occurred in  
10 this state and is committed for financial gain.

11           ~~C. No property under section 13-4702 is subject to seizure and~~  
12 ~~forfeiture if the lawful owner is known or can be identified and located.~~

13           Sec. 2. Section 28-205, Arizona Revised Statutes, is amended to read:  
14 28-205. Motor vehicle fees

15           The following motor vehicle fees shall be paid:

16           1. For each certificate of title, ~~or~~ salvage certificate of title,  
17 RESTORED SALVAGE CERTIFICATE OF TITLE OR NONREPAIRABLE VEHICLE CERTIFICATE  
18 OF TITLE, four dollars.

19           2. For each certificate of title for a mobile home, as defined by  
20 section 42-641, seven dollars. Three dollars of each fee imposed by this  
21 paragraph shall be deposited in the state highway fund established in section  
22 28-1821.

23           3. For a duplicate registration card, four dollars.

24           4. For a duplicate of any permit, four dollars.

25           5. For filing each application for a dealer's, manufacturer's,  
26 importer's, distributor's, factory branch's, distributor branch's, automotive  
27 recycler's or wholesale motor vehicle dealer's license, fifteen dollars, and  
28 for each application for a provisional dealer's, automotive recycler's or  
29 wholesale motor vehicle dealer's license filed in conjunction with an  
30 application for a dealer's or automotive recycler's license, ten dollars.

31           6. For each criminal background investigation required under section  
32 28-1304, four hundred sixty dollars, and notwithstanding sections 28-208 and  
33 28-1595, fees collected pursuant to this paragraph shall be deposited in the  
34 criminal background investigation fund established pursuant to section  
35 28-1331.

36           7. For each filing or continuation of a dealer's, manufacturer's,  
37 distributor's, importer's, factory branch's, distributor branch's, automotive  
38 recycler's or wholesale motor vehicle dealer's license when issued annually,  
39 one hundred dollars.

40           8. For filing or continuing a dealer's branch license if issued  
41 annually, fifty dollars.

42           9. For filing each application for a permit for the off-premises  
43 exhibition of motor vehicles or for a special event to exhibit new motor  
44 homes, twenty-five dollars.

1 10. For filing each application for a permit for the off-premises  
2 display and sale of motor vehicles, twenty-five dollars.

3 11. For each original or initial application or renewal application if  
4 a written examination is required for a:

5 (a) Class A license, twenty-five dollars.

6 (b) Class B license, twenty-five dollars.

7 (c) Class C license, twelve dollars fifty cents.

8 (d) Class D license issued pursuant to section 28-426, subsection I,  
9 ten dollars.

10 (e) Class M license issued pursuant to section 28-426, subsection I,  
11 ten dollars.

12 12. Except as provided in paragraph 11 of this section, for each  
13 original, renewal or reinstatement application for a class D or M license:

Age	Fee
50 or older	\$10.00
45-49	\$15.00
40-44 <i>600</i>	\$20.00
39 or younger <i>960</i>	\$25.00

*760* *280* *760*

14 13. For each original or initial application or renewal examination if  
15 a written application is required for the following endorsements to a  
16 driver's license:  
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19 (a) Bus endorsement, ten dollars.

20 (b) Hazardous materials endorsement, ten dollars.

21 (c) Tank vehicle endorsement, ten dollars.

22 (d) Double-triple trailer endorsement, ten dollars.

23 (e) Motorcycle endorsement, seven dollars.

24 14. For taking each driving test for a:

25 (a) Class A license, twenty-five dollars.

26 (b) Class B license, twenty-five dollars.

27 (c) Class C license, twelve dollars fifty cents.

28 (d) Bus endorsement, five dollars.

29 15. For each application for an instruction permit under:

30 (a) Section 28-415, subsection A or C, seven dollars.

31 (b) Section 28-415, subsection B, three dollars.

32 (c) Section 28-415, subsection E, class A, twenty-five dollars.

33 (d) Section 28-415, subsection E, class B, twenty-five dollars.

34 (e) Section 28-415, subsection E, class C, twelve dollars fifty cents.

35 16. For each renewal application, if a written examination is not  
36 required, for a:

37 (a) Class A license and any endorsement, other than a hazardous  
38 materials endorsement, to such a license, fifteen dollars.

39 (b) Class B license and any endorsement, other than a hazardous  
40 materials endorsement, to such a license, fifteen dollars.  
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1 (c) Class C license and any endorsement, other than a hazardous  
2 materials endorsement, to such a license, ten dollars.

3 17. For each application for a duplicate of any driver's license, four  
4 dollars.

5 18. For each application for a duplicate of any instruction permit, two  
6 dollars.

7 19. In addition to the fees prescribed in paragraph 12 of this section,  
8 for reinstatement of driving privileges after suspension or disqualification,  
9 ten dollars, except as provided in paragraph 36 of this section.

10 20. For each application for an extension by mail of a driver's  
11 license, five dollars.

12 21. For each identification plate bearing a serial or identification  
13 number to be affixed to any vehicle, five dollars.

14 22. For replacement of each lost, destroyed or mutilated number or  
15 special plate, pair of number or special plates or year validating tab, five  
16 dollars.

17 23. For each number plate or pair of plates issued to a dealer other  
18 than a dealer in motorcycles, thirty dollars, and for each number plate or  
19 pair of plates issued to a dealer in motorcycles, ten dollars.

20 24. For each pair of original special plates issued pursuant to chapter  
21 3, article 5 of this title, except special plates for deaf persons issued  
22 pursuant to section 28-377, international symbol of access special plates  
23 issued pursuant to section 28-378 and, if the department receives approval  
24 from the federal government allowing the use of high occupancy vehicle lanes  
25 by alternative fuel vehicles, special plates for alternative fuel vehicles  
26 issued pursuant to section 28-385, in addition to the registration fee  
27 required by this section, twenty-five dollars for all special plates.

28 25. For each annual renewal of special plates issued pursuant to  
29 chapter 3, article 5 of this title, except special plates for deaf persons  
30 issued pursuant to section 28-377, international symbol of access special  
31 plates issued pursuant to section 28-378 and, if the department receives  
32 approval from the federal government allowing the use of high occupancy  
33 vehicle lanes by alternative fuel vehicles, special plates for alternative  
34 fuel vehicles issued pursuant to section 28-385, in addition to the  
35 registration fee required by paragraph 26 of this section, twenty-five  
36 dollars for all special plates.

37 26. For the registration of any motor vehicle, eight dollars, except  
38 that the fee for motorcycles shall be nine dollars.

39 27. For filing each application for a ~~dismantling permit~~ DISMANTLE  
40 CERTIFICATE OF TITLE, four dollars.

41 28. For each special thirty day nonresident registration issued under  
42 section 28-302, fifteen dollars.

43 29. For the registration of any trailer or semitrailer which is ten  
44 thousand pounds or less gross vehicle weight, eight dollars, and for the

1 registration of any trailer or semitrailer which exceeds ten thousand pounds  
2 gross vehicle weight, forty-nine dollars.

3 30. For each laden vehicle test plate or year validating tab:

4 (a) Thirty-six dollars, for a vehicle with a declared gross weight of  
5 twelve thousand pounds or less.

6 (b) Two hundred fifty-three dollars, for a vehicle with a declared  
7 gross weight of more than twelve thousand pounds but not more than twenty-six  
8 thousand pounds.

9 (c) One thousand seventy dollars, for a vehicle with a declared gross  
10 weight of more than twenty-six thousand pounds.

11 31. For each unladen truck and passenger vehicle test plate, thirty  
12 dollars.

13 32. For each special ninety day resident registration issued under  
14 section 28-302, fifteen dollars.

15 33. For each pair of original special license plates issued under  
16 chapter 3, article 2 of this title, twenty-five dollars in addition to the  
17 registration fee required by this section.

18 34. For each annual renewal of special license plates issued under  
19 chapter 3, article 2 of this title, ten dollars in addition to the  
20 registration fee required by this section.

21 35. For each one trip registration permit issued pursuant to section  
22 28-302.03, one dollar.

23 36. In addition to the fees prescribed in paragraph 12 of this section,  
24 for reinstatement of driving privileges which were suspended or denied  
25 pursuant to section 28-694 following completion of the suspension or  
26 revocation, fifty dollars.

27 37. For each temporary general use registration issued under section  
28 28-302.05, fifteen dollars.

29 Sec. 3. Title 28, chapter 3, article 1, Arizona Revised Statutes, is  
30 amended by adding sections 28-303.02 and 28-303.03, to read:

31 28-303.02. Vehicle inspections

32 A. THE DEPARTMENT MAY CONDUCT THE FOLLOWING LEVELS OF MOTOR VEHICLE  
33 INSPECTIONS:

34 1. LEVEL ONE. A LEVEL ONE INSPECTION CONSISTS OF MATCHING THE PUBLIC  
35 VEHICLE IDENTIFICATION NUMBER AND A SECONDARY VEHICLE IDENTIFICATION NUMBER  
36 TO THE VEHICLE OWNERSHIP DOCUMENTS TO DETERMINE THE IDENTITY OF THE VEHICLE.

37 2. LEVEL TWO. A LEVEL TWO INSPECTION CONSISTS OF MATCHING THE PUBLIC  
38 VEHICLE IDENTIFICATION NUMBER, A SECONDARY VEHICLE IDENTIFICATION NUMBER AND  
39 THE CONFIDENTIAL VEHICLE IDENTIFICATION NUMBER TO THE VEHICLE OWNERSHIP  
40 DOCUMENTS TO DETERMINE THE IDENTITY OF THE VEHICLE.

41 3. LEVEL THREE. A LEVEL THREE INSPECTION CONSISTS OF A LEVEL TWO  
42 INSPECTION PLUS VERIFICATION OF VEHICLE IDENTIFICATION NUMBERS ON, AT THE  
43 DISCRETION OF THE INSPECTOR, SOME OR ALL COMPONENT PARTS TO DETERMINE THE

1 IDENTITY OF THE VEHICLE AND THAT THE VEHICLE IS PROPERLY EQUIPPED FOR HIGHWAY  
2 USE.

3 B. A PERSON WHO SUBMITS A MOTOR VEHICLE TO THE DEPARTMENT FOR  
4 INSPECTION SHALL PAY THE FOLLOWING FEES:

5 1. FOR A LEVEL TWO INSPECTION, TWENTY DOLLARS.

6 2. FOR A LEVEL THREE INSPECTION, FIFTY DOLLARS.

7 C. THE DEPARTMENT SHALL DEPOSIT THE INSPECTION FEES IN THE VEHICLE  
8 INSPECTION AND TITLE ENFORCEMENT FUND ESTABLISHED BY SECTION 28-303.03.

9 28-303.03. Vehicle inspection and title enforcement fund

10 A. A VEHICLE INSPECTION AND TITLE ENFORCEMENT FUND IS ESTABLISHED  
11 CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 28-303.02 AND SECTION  
12 28-321.02, SUBSECTION G.

13 B. MONIES IN THE VEHICLE INSPECTION AND TITLE ENFORCEMENT FUND ARE A  
14 CONTINUING APPROPRIATION TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT TO  
15 DEFRAY THE COST OF INVESTIGATIONS INVOLVING CERTIFICATES OF TITLE, LICENSING  
16 FRAUD, REGISTRATION ENFORCEMENT AND OTHER ENFORCEMENT RELATED ISSUES.

17 C. THE VEHICLE INSPECTION AND TITLE ENFORCEMENT FUND IS EXEMPT FROM  
18 THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

19 Sec. 4. Section 28-321, Arizona Revised Statutes, is amended to read:

20 28-321. Salvage certificate of title; nonrepairable vehicle

21 certificate of title; violation; classification;

22 definitions

23 A. If any motor vehicle subject to titling or registration pursuant  
24 to this chapter becomes a salvage vehicle OR NONREPAIRABLE VEHICLE and is  
25 acquired by an insurance company as a result of a total loss insurance  
26 settlement, the insurance company or its authorized agent shall, within  
27 ~~fifteen~~ THIRTY days from the loss or settlement of the loss, submit an  
28 application to the vehicle division, on a form prescribed by the vehicle  
29 division for a salvage CERTIFICATE OF title OR NONREPAIRABLE VEHICLE  
30 CERTIFICATE OF TITLE, accompanied by a properly endorsed certificate of title  
31 and any lien satisfaction, if applicable, the registration card, number  
32 plate, if any, and the appropriate fees. If the registration card or number  
33 plate or plates is lost or destroyed, the applicant shall state in a form  
34 prescribed by the vehicle division under penalty of perjury the circumstances  
35 of the loss or destruction. EXCEPT FOR VEHICLES REGISTERED PURSUANT TO  
36 SECTION 28-341, 28-341.01 OR 28-341.02, if the owner retains possession of  
37 a salvage vehicle OR NONREPAIRABLE VEHICLE, the owner shall comply with this  
38 section before receiving a total loss settlement from the insurance company  
39 or otherwise disposing of the vehicle.

40 B. ANY OTHER OWNER OF A VEHICLE THAT IS A SALVAGE VEHICLE OR  
41 NONREPAIRABLE VEHICLE SHALL APPLY FOR A SALVAGE CERTIFICATE OF TITLE OR  
42 NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE PURSUANT TO THIS SECTION.

1           ~~B-~~ C. Upon receipt of a proper application, the vehicle division  
2 shall issue a salvage certificate of title OR NONREPAIRABLE VEHICLE  
3 CERTIFICATE OF TITLE for the vehicle.

4           D. IF THE DEPARTMENT ISSUES A NONREPAIRABLE VEHICLE CERTIFICATE OF  
5 TITLE FOR A VEHICLE, THE REGISTRATION OF THE VEHICLE IS CANCELLED. THE FRONT  
6 OF A NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE SHALL BE BRANDED WITH THE  
7 WORD "NONREPAIRABLE". THE OWNERSHIP OF A VEHICLE FOR WHICH A NONREPAIRABLE  
8 VEHICLE CERTIFICATE OF TITLE HAS BEEN ISSUED SHALL NOT BE REASSIGNED MORE  
9 THAN TWO TIMES ON THAT CERTIFICATE OF TITLE. IF A NONREPAIRABLE VEHICLE  
10 CERTIFICATE OF TITLE IS ISSUED FOR A VEHICLE, THE MOTOR VEHICLE DIVISION  
11 SHALL NOT ISSUE ANY FURTHER CERTIFICATE OF TITLE FOR THAT VEHICLE.

12           ~~E-~~ E. An owner of a motor vehicle which is not a salvage vehicle who  
13 sells such vehicle as scrap or for purposes of dismantling or destroying  
14 shall assign the certificate of title to the purchaser, who shall comply with  
15 section 28-323.

16           ~~D-~~ F. An owner of a salvage vehicle for which a salvage certificate  
17 of title has been obtained OR AN OWNER OF A NONREPAIRABLE VEHICLE FOR WHICH  
18 A NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE HAS BEEN OBTAINED shall, upon  
19 sale of such vehicle, assign and deliver the salvage certificate of title OR  
20 NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE to the purchaser and notify the  
21 vehicle division of the name and address of the purchaser. The motor vehicle  
22 division shall issue a certificate of title to a vehicle which has been  
23 issued a salvage certificate of title as a result of a total loss settlement  
24 by reason of theft if the vehicle is recovered and was not wrecked or  
25 stripped of essential parts.

26           G. ANY PERSON WHO SELLS A VEHICLE FOR WHICH A SALVAGE CERTIFICATE OF  
27 TITLE HAS BEEN ISSUED AND WHO KNOWS A SALVAGE CERTIFICATE OF TITLE HAS BEEN  
28 ISSUED FOR THE VEHICLE SHALL DISCLOSE TO THE BUYER BEFORE COMPLETION OF THE  
29 SALE THAT THE VEHICLE IS A SALVAGE VEHICLE.

30           ~~E-~~ H. If it is determined that a vehicle titled as a salvage vehicle  
31 is to be scrapped, dismantled or destroyed, the owner or purchaser shall  
32 comply with section 28-323.

33           ~~F.~~ ~~If a salvage vehicle is rebuilt and restored to operation, the~~  
34 ~~motor vehicle shall not be registered nor the ownership of such vehicle~~  
35 ~~transferred until there is submitted to the vehicle division along with the~~  
36 ~~salvage certificate of title.~~

37           ~~1. An appropriate application for a restored salvage certificate of~~  
38 ~~title.~~

39           ~~2. Proof that the vehicle has been inspected by an employee of the~~  
40 ~~vehicle division verifying that the vehicle is properly equipped for highway~~  
41 ~~use and has a proper vehicle identification number on the vehicle or assigned~~  
42 ~~to the vehicle pursuant to law.~~

43           ~~3. Any other required documents and fees.~~

1           ~~G~~ I. All provisions of this chapter which refer to titles apply to  
2 salvage certificates of title AND NONREPAIRABLE VEHICLE CERTIFICATES OF TITLE  
3 issued pursuant to this section, except if they conflict with this section.

4           ~~H~~ J. If any person has a currently registered vehicle which has  
5 subsequently become a total loss due to an accident or an unrecovered theft,  
6 such person may make a verified written application to the ~~assessor of the~~  
7 ~~county in which the vehicle was last registered~~ REGISTERING OFFICER  
8 indicating the occurrence of the total loss. When the ~~assessor~~ REGISTERING  
9 OFFICER has confirmed that an application for a salvage certificate of title,  
10 NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE or ~~dismantling permit~~ DISMANTLE  
11 CERTIFICATE OF TITLE has been made, the ~~assessor~~ REGISTERING OFFICER shall:

12           1. Determine the amount of the license tax as provided for in section  
13 28-1591.

14           2. Reduce the amount of the registration fee required pursuant to  
15 section 28-205 and the license tax determined in paragraph 1 of this  
16 subsection by one-twelfth for each full month of the registration period not  
17 yet expired.

18           3. ~~Credit~~ REFUND such owner with the appropriate amount of such fee  
19 and tax previously paid, to be applied to the registration of another  
20 vehicle.

21           K. If a component part of a vehicle upon which the public vehicle  
22 identification number is affixed is to be replaced and if the vehicle is  
23 being repaired by a person other than its owner, the owner shall be notified  
24 in writing and in the manner prescribed by the department that such part has  
25 been replaced and the owner shall comply with section 28-320.

26           ~~I~~ L. A person violating any provision of this section is guilty of  
27 a class 2 misdemeanor.

28           ~~J~~ M. For the purposes of this section:

29           1. "NONREPAIRABLE VEHICLE" MEANS A VEHICLE OF A TYPE THAT IS OTHERWISE  
30 SUBJECT TO TITLING AND REGISTRATION PURSUANT TO THIS CHAPTER AND THAT EITHER:

31           (a) HAS NO RESALE VALUE EXCEPT AS A SOURCE OF PARTS OR SCRAP METAL AND  
32 THE OWNER OR INSURER DESIGNATES THE VEHICLE SOLELY AS A SOURCE OF PARTS OR  
33 SCRAP METAL.

34           (b) IS A COMPLETELY STRIPPED VEHICLE THAT IS RECOVERED FROM THEFT AND  
35 THAT IS MISSING THE ENGINE OR MOTOR, THE TRANSMISSION, ALL OF THE BOLT-ON  
36 SHEET METAL BODY PANELS, ALL OF THE DOORS AND HATCHES, SUBSTANTIALLY ALL OF  
37 THE INTERIOR COMPONENTS AND SUBSTANTIALLY ALL OF THE GRILL AND LIGHT  
38 ASSEMBLIES OR THAT THE OWNER DESIGNATES HAS LITTLE OR NO RESALE VALUE EXCEPT  
39 ITS WORTH AS A SOURCE OF SCRAP METAL OR AS A SOURCE OF A VEHICLE  
40 IDENTIFICATION NUMBER THAT COULD BE USED ILLEGALLY.

41           (c) IS A COMPLETELY BURNED VEHICLE THAT HAS BEEN BURNED TO THE EXTENT  
42 THAT THERE ARE NO USABLE OR REPAIRABLE BODY OR INTERIOR COMPONENTS, TIRES AND  
43 WHEELS, ENGINE OR MOTOR OR TRANSMISSION AND THAT THE OWNER IRREVERSIBLY  
44 DESIGNATES AS HAVING LITTLE OR NO RESALE VALUE EXCEPT AS A SOURCE OF SCRAP

1 METAL OR AS A SOURCE OF A VEHICLE IDENTIFICATION NUMBER THAT COULD BE USED  
2 ILLEGALLY.

3 2. "NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE" MEANS A VEHICLE  
4 OWNERSHIP DOCUMENT ISSUED TO THE OWNER OF A NONREPAIRABLE VEHICLE.

5 ~~1. "Restored salvage certificate of title" means a certificate of~~  
6 ~~title issued to a vehicle which has been restored and for which a salvage~~  
7 ~~certificate of title or a dismantling permit has been issued.~~

8 ~~2.~~ 3. "Salvage vehicle" means a vehicle, which either:

9 ~~(a) Has been wrecked or damaged beyond repair; or~~

10 ~~(b) Has been declared a total loss vehicle by the insurer including~~  
11 ~~total loss by reason of theft. OTHER THAN A NONREPAIRABLE VEHICLE, OF A TYPE~~  
12 ~~THAT IS SUBJECT TO TITLING AND REGISTRATION PURSUANT TO THIS CHAPTER AND THAT~~  
13 ~~HAS BEEN STOLEN, WRECKED, DESTROYED, FLOOD OR WATER DAMAGED OR OTHERWISE~~  
14 ~~DAMAGED TO THE EXTENT THAT THE OWNER, LEASING COMPANY, FINANCIAL INSTITUTION~~  
15 ~~OR INSURANCE COMPANY THAT INSURED THE VEHICLE CONSIDERS IT UNECONOMICAL TO~~  
16 ~~REPAIR THE VEHICLE.~~

17 Sec. 5. Section 28-321.01, Arizona Revised Statutes, is amended to  
18 read:

19 28-321.01. Vehicle seizure

20 A. Employees of the vehicle division and peace officers, as defined  
21 by section 1-215, may seize any vehicle:

22 1. From which the serial or other identification number or mark has  
23 been removed, defaced, obliterated or changed, when no application has been  
24 made to the vehicle division, as provided in this article.

25 2. For which the registration or number plates are fictitious.

26 B. A salvage vehicle may be seized if it is being reconstructed or  
27 repaired by a person who does not have in his possession a salvage  
28 certificate of title in his name or assigned to him or a work or repair order  
29 signed by the owner or agent of the vehicle. ~~and~~

30 C. Any vehicle may be seized which is being dismantled, scrapped or  
31 destroyed by a person who does not have a ~~dismantling permit~~ DISMANTLE  
32 CERTIFICATE OF TITLE, NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE OR SALVAGE  
33 CERTIFICATE OF TITLE issued to him or if no application for ~~either permit~~  
34 THESE CERTIFICATES OF TITLE has been made.

35 Sec. 6. Title 28, chapter 3, article 1, Arizona Revised Statutes, is  
36 amended by adding sections 28-321.02 and 28-321.03, to read:

37 28-321.02. Restored salvage certificate of title; inspections;  
38 definitions

39 A. IF A SALVAGE VEHICLE AS DEFINED IN SECTION 28-321 IS REBUILT OR  
40 RESTORED TO OPERATION, THE OWNER OF THE MOTOR VEHICLE SHALL NOT TRANSFER THE  
41 MOTOR VEHICLE UNTIL A RESTORED SALVAGE CERTIFICATE OF TITLE HAS BEEN ISSUED  
42 PURSUANT TO THIS SECTION.

43 B. ON APPLICATION FOR A RESTORED SALVAGE CERTIFICATE OF TITLE, THE  
44 DEPARTMENT SHALL CONDUCT A LEVEL TWO OR LEVEL THREE INSPECTION OF THE VEHICLE

1 THAT IS THE SUBJECT OF THE APPLICATION TO DETERMINE ITS PROPER IDENTITY  
2 PURSUANT TO SECTION 28-303.02. THE INSPECTION MAY INCLUDE A REVIEW OF BILLS  
3 OF SALE AND INVOICES FOR COMPONENT PARTS USED IN THE RECONSTRUCTION PROCESS.  
4 IF THE DEPARTMENT IS UNABLE TO CONDUCT A LEVEL THREE INSPECTION FOR A  
5 RESTORED SALVAGE CERTIFICATE OF TITLE WITHIN TWENTY DAYS AFTER A REQUEST IS  
6 MADE, THE DEPARTMENT SHALL CONDUCT AN INSPECTION OF THE VEHICLE WITHIN  
7 FORTY-EIGHT HOURS AFTER THE TWENTY DAY PERIOD.

8 C. THE SELLER OR AGENT OF A SELLER OF A SALVAGE VEHICLE AS DEFINED IN  
9 SECTION 28-321 SHALL INFORM THE PURCHASER OF A SALVAGE VEHICLE THAT OWNERSHIP  
10 DOCUMENTATION FOR CERTAIN REPLACEMENT PARTS USED IN THE REPAIR OF THE SALVAGE  
11 VEHICLE IS REQUIRED IN CONNECTION WITH THE INSPECTION PRESCRIBED BY THIS  
12 SECTION.

13 D. A PERSON WHO POSSESSES A SALVAGE VEHICLE AS DEFINED IN SECTION  
14 28-321 AND WHO SUBMITS IT FOR INSPECTION AS PRESCRIBED BY THIS SECTION SHALL  
15 SUBMIT TO THE DEPARTMENT PAPERWORK THAT IS SATISFACTORY TO THE DIRECTOR.  
16 SATISFACTORY PAPERWORK MAY INCLUDE COPIES OF INVOICES, NOTARIZED BILLS OF  
17 SALE OR OTHER ACCEPTABLE PROOF OF OWNERSHIP FOR COMPONENT PARTS.

18 E. IF PROPER OWNERSHIP DOCUMENTATION FOR A COMPONENT PART IS NOT  
19 SUBMITTED AS REQUIRED BY THIS SECTION, THE DEPARTMENT MAY SEIZE THE COMPONENT  
20 PART.

21 F. IF THE DEPARTMENT FINDS A STOLEN COMPONENT PART IN A VEHICLE WHILE  
22 CONDUCTING AN INSPECTION PROVIDED FOR UNDER THIS SECTION, THE DEPARTMENT  
23 SHALL SEIZE THE COMPONENT PART PURSUANT TO SECTION 28-1329.

24 G. THE DEPARTMENT SHALL TRANSMIT ANY PROCEEDS RESULTING FROM THE  
25 SEIZURE AND FORFEITURE OF A COMPONENT PART PURSUANT TO SUBSECTION E OR F OF  
26 THIS SECTION TO THE STATE TREASURER FOR DEPOSIT IN THE VEHICLE INSPECTION AND  
27 TITLE ENFORCEMENT FUND ESTABLISHED BY SECTION 28-303.03.

28 H. ANY PERSON WHO SELLS A VEHICLE FOR WHICH A RESTORED SALVAGE  
29 CERTIFICATE OF TITLE HAS BEEN ISSUED AND WHO KNOWS A RESTORED SALVAGE  
30 CERTIFICATE OF TITLE HAS BEEN ISSUED FOR THE VEHICLE SHALL DISCLOSE TO THE  
31 BUYER BEFORE COMPLETION OF THE SALE THAT THE VEHICLE IS A RESTORED SALVAGE  
32 VEHICLE.

33 I. FOR THE PURPOSES OF THIS SECTION:

34 1. FOR PASSENGER VEHICLES, "COMPONENT PARTS" INCLUDES THE COWL OR  
35 FIREWALL, FRONT END ASSEMBLY, REAR CLIP, INCLUDING THE ROOF PANEL, THE ROOF  
36 PANEL IF INSTALLED SEPARATELY AND THE FRAME OR ANY PORTION OF THE FRAME, OR  
37 IN THE CASE OF A UNITIZED BODY, THE SUPPORTING STRUCTURE THAT SERVES AS THE  
38 FRAME, EACH DOOR, THE HOOD, EACH FENDER OR QUARTER PANEL, THE DECK LID OR  
39 HATCHBACK, EACH BUMPER, TRANSMISSIONS OR TRANSAXLES AND AN ENGINE OR MOTOR.  
40 FOR THE PURPOSES OF THIS PARAGRAPH:

41 (a) "FRONT END ASSEMBLY" INCLUDES THE HOOD, FENDERS, BUMPER, RADIATOR  
42 AND SUPPORTING MEMBERS FOR THESE ITEMS. FOR VEHICLES WITH A UNITIZED BODY,  
43 THE FRONT END ASSEMBLY ALSO INCLUDES THE FRAME SUPPORT MEMBERS.

1 (b) "REAR CLIP" INCLUDES THE ROOF, QUARTER PANELS, TRUNK LID, FLOOR  
2 PAN, REAR BUMPER AND SUPPORT MEMBERS FOR THESE ITEMS.

3 2. FOR TRUCKS OR TRUCK-TYPE OR BUS-TYPE VEHICLES, "COMPONENT PARTS"  
4 INCLUDES THE CAB, THE FRAME OR ANY PORTION OF THE FRAME, AND IN THE CASE OF  
5 A UNITIZED BODY, THE SUPPORTING STRUCTURE THAT SERVES AS A FRAME, THE CARGO  
6 COMPARTMENT FLOOR PANEL, THE PASSENGER COMPARTMENT FLOOR PAN, THE ROOF PANEL,  
7 TRANSMISSIONS OR TRANSAXLES, ENGINES OR MOTORS, EACH DOOR, THE HOOD, EACH  
8 FENDER OR QUARTER PANEL, EACH BUMPER, THE TAILGATE AND ALL COMPONENT PARTS  
9 THAT ARE INCLUDED IN PARAGRAPH 1 OF THIS SUBSECTION AND THAT ARE NOT LISTED  
10 IN THIS PARAGRAPH IF THE PART IS REPLACED.

11 3. FOR MOTORCYCLES, "COMPONENT PARTS" INCLUDES THE ENGINE OR MOTOR,  
12 TRANSMISSION OR TRANSAXLE, FRAME, FRONT FORK, CRANKCASE AND FAIRING AND ANY  
13 OTHER BODY MOLDING.

14 4. "RESTORED SALVAGE CERTIFICATE OF TITLE" MEANS A CERTIFICATE OF  
15 TITLE ISSUED TO A VEHICLE THAT HAS BEEN RESTORED AND FOR WHICH A SALVAGE  
16 CERTIFICATE OF TITLE OR A DISMANTLE CERTIFICATE OF TITLE HAS BEEN ISSUED.

17 28-321.03. Flood or water damaged vehicles

18 A. IF A VEHICLE FROM A FOREIGN JURISDICTION HAS A FLOOD OR WATER  
19 DAMAGE BRANDED CERTIFICATE OF TITLE, THE DEPARTMENT MAY ISSUE A CERTIFICATE  
20 OF TITLE FOR THAT VEHICLE THAT CONTAINS A FLOOD OR WATER DAMAGE BRAND.

21 B. IF THE DEPARTMENT DETERMINES THAT A FLOOD OR WATER DAMAGED VEHICLE  
22 IS ACTUALLY A TOTAL LOSS INSURANCE SETTLEMENT VEHICLE, THE DEPARTMENT MAY  
23 ISSUE:

24 1. A FLOOD OR WATER DAMAGE SALVAGE CERTIFICATE OF TITLE FOR THE  
25 VEHICLE PURSUANT TO SECTION 28-321.

26 2. IF A VEHICLE WITH A FLOOD OR WATER DAMAGE SALVAGE CERTIFICATE OF  
27 TITLE IS REBUILT OR RESTORED TO OPERATION, A FLOOD OR WATER DAMAGE RESTORED  
28 SALVAGE CERTIFICATE OF TITLE PURSUANT TO SECTION 28-321.02.

29 C. IF A VEHICLE HAS BEEN ISSUED A CERTIFICATE OF TITLE THAT CONTAINS  
30 A FLOOD OR WATER DAMAGE BRAND, ON APPLICATION FOR A DISMANTLE OR  
31 NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE FOR THAT VEHICLE, THE DEPARTMENT  
32 MAY ISSUE A FLOOD OR WATER DAMAGE DISMANTLE OR NONREPAIRABLE VEHICLE  
33 CERTIFICATE OF TITLE FOR THAT VEHICLE.

34 Sec. 7. Section 28-323, Arizona Revised Statutes, is amended to read:

35 28-323. Dismantle certificate of title; exemption

36 A. An owner who sells a motor vehicle, trailer or semitrailer as  
37 scrap, or for dismantling or destroying, shall assign the certificate of  
38 title of such motor vehicle to the purchaser, who shall deliver the  
39 certificate, together with the registration card and number plate, if any,  
40 to the vehicle division with an application for a ~~permit~~ DISMANTLE  
41 CERTIFICATE OF TITLE to scrap, dismantle or destroy the vehicle. An owner  
42 intending or desiring to dismantle a vehicle shall, before doing so, forward  
43 to the vehicle division the certificate of title, THE registration card and  
44 the number plate assigned to the vehicle, if any, together with an

1 application for a ~~permit~~ DISMANTLE CERTIFICATE OF TITLE to dismantle or wreck  
2 the vehicle. If the registration card or number plate is lost or destroyed,  
3 the applicant shall state in a form prescribed by the vehicle division under  
4 penalty of perjury the circumstances of the loss or destruction. The vehicle  
5 division, upon receipt of the title, registration card and number plates, if  
6 any, together with the application, shall issue a ~~permit~~ DISMANTLE  
7 CERTIFICATE OF TITLE to the applicant to dismantle or destroy the vehicle,  
8 which shall authorize the person to transport or possess the vehicle or to  
9 transfer ownership by endorsement upon the ~~permit~~ DISMANTLE CERTIFICATE OF  
10 TITLE. A certificate of title shall not again be issued for the vehicle if  
11 it is dismantled or destroyed.

12 B. A licensed automotive recycler who files with the application for  
13 a ~~permit~~ DISMANTLE CERTIFICATE OF TITLE under subsection A an Arizona  
14 certificate of title indicating that the vehicle is free of all liens or who  
15 files therewith a valid release of any liens shown on such title, may, five  
16 days after mailing or three days after delivery of the application and title  
17 to the vehicle division, commence dismantling the vehicle unless notified by  
18 the vehicle division of the claim of lien or interest in the vehicle by some  
19 other person. If so notified the licensed automotive recycler shall cease  
20 any further dismantling or sale of the vehicle and any of its parts until the  
21 rights of such other person are determined.

22 C. A licensed automotive recycler may dismantle a vehicle without  
23 obtaining a ~~dismantling permit~~ DISMANTLE CERTIFICATE OF TITLE if the vehicle  
24 has been issued a salvage certificate of title OR A NONREPAIRABLE VEHICLE  
25 CERTIFICATE OF TITLE. The salvage certificate of title OR NONREPAIRABLE  
26 VEHICLE CERTIFICATE OF TITLE must be the current title of record. An  
27 automotive recycler shall file a written request to dismantle the vehicle on  
28 a form prescribed by the vehicle division. The automotive recycler may  
29 commence dismantling the vehicle ~~five days~~ after mailing OR DELIVERING the  
30 request. ~~unless notified by the vehicle division~~ IF THE MOTOR VEHICLE  
31 DIVISION NOTIFIES THE AUTOMOTIVE RECYCLER of a claim or a lien or interest  
32 in the vehicle by some other person, ~~if so notified~~, the automotive  
33 recycler shall cease any further dismantling or sale of the vehicle and any  
34 of its parts until the rights of the other person are determined.

35 D. AN OWNER MAY DISMANTLE A VEHICLE WITHOUT OBTAINING A DISMANTLE  
36 CERTIFICATE OF TITLE IF A NONREPAIRABLE VEHICLE CERTIFICATE OF TITLE HAS BEEN  
37 ISSUED FOR THE VEHICLE.

38 ~~D~~ E. This section does not apply to the removal of a part for the  
39 purpose of replacement.

40 Sec. 8. Section 28-1307, Arizona Revised Statutes, is amended to read:  
41 28-1307. Business records required to be kept; inspection;  
42 civil liability

43 A. Every licensee shall keep and maintain at his established place of  
44 business, or place of business if the licensee is a motor vehicle dealer in

1 mobile medical clinics, a broker or a wholesale motor vehicle dealer, a  
2 permanent record in the form prescribed by the assistant director for the  
3 motor vehicle division wherein shall be entered:

4 1. A particular description of every motor vehicle of a type subject  
5 to registration under the laws of this state which is bought, sold, brokered  
6 or exchanged by the licensee or received or accepted by the licensee for  
7 sale, brokering or exchange.

8 2. A particular description of every used motor vehicle body or  
9 chassis which is sold or otherwise disposed of.

10 3. A particular description of every motor vehicle which is bought,  
11 or otherwise acquired and wrecked by the licensee.

12 4. The name and address of the person from whom a motor vehicle, motor  
13 vehicle body or chassis was purchased or otherwise acquired and the date  
14 thereof.

15 5. The name and address of the person to whom the motor vehicle, motor  
16 vehicle body or chassis was sold or otherwise disposed of and the date  
17 thereof, and a sufficient description of the vehicle, body or chassis by name  
18 or identifying number or otherwise to identify it.

19 B. Every licensed automotive recycler having a vehicle in his  
20 inventory shall at the same time have possession of a duly and regularly  
21 assigned salvage certificate of title, NONREPAIRABLE VEHICLE CERTIFICATE OF  
22 TITLE or ~~a dismantling permit~~ DISMANTLE CERTIFICATE OF TITLE to such vehicle.  
23 A licensed automotive recycler shall not offer for sale or sell a vehicle  
24 unless he has obtained a salvage certificate of title, NONREPAIRABLE VEHICLE  
25 CERTIFICATE OF TITLE or ~~a dismantling permit~~ DISMANTLE CERTIFICATE OF TITLE  
26 to the vehicle.

27 C. Every record required by this section and all inventories relating  
28 to such records of a licensee shall at all times be available for physical  
29 inspection by agents of the vehicle division or members of the highway patrol  
30 division, and they may enter on premises where such records or inventories  
31 are located during normal business hours for purposes of such inspection.  
32 The licensee or any designated employee or agent may accompany any person  
33 making such an inspection while he is on the licensee's premises. The  
34 licensee is only liable to a person making an inspection under the provisions  
35 of this section for an injury arising out of the condition of the premises  
36 which occurs while the person is on the licensee's premises, if the licensee  
37 knowingly allows the person to run upon a hidden peril or wantonly or  
38 wilfully causes him harm.

39 D. Each motor vehicle dealer shall give the customer a written  
40 contract and maintain a copy of the contract for three years at his  
41 established place of business.

42 Sec. 9. Section 28-1411, Arizona Revised Statutes, is amended to read:

1           28-1411. Junk vehicle; disposition; definition

2           ~~B~~- A. If a vehicle has been reported abandoned under section 28-1402,  
3 the person making the report may request that such vehicle be processed as  
4 a junk vehicle. An agent of the motor vehicle division shall inspect such  
5 vehicle to determine if the vehicle meets the definition of a junk vehicle.

6           ~~E~~- B. On making such a determination the assistant director shall  
7 cause a search of the records of the department to be made, or if a junk  
8 vehicle is registered in another state, make inquiry of the vehicle  
9 registration agency of such state, to ascertain the name and address of the  
10 owner and lienholder, if any, or any other person identified on the  
11 department's record.

12           ~~D~~- C. On receipt of information disclosing the name and address of  
13 the owner and lienholder, if any, or any other person identified on the  
14 department's record who may have an interest in the vehicle, the assistant  
15 director shall, not fewer than fifteen days before the date of taking such  
16 action, give to all interested persons, notice of his intention to allow the  
17 disposition of the junk vehicle as prescribed by this section. Notice shall  
18 be given by certified restricted mail to be delivered to the addressee only,  
19 return receipt requested.

20           ~~E~~- D. If the records of the department or out of state jurisdiction  
21 fail to disclose the name and address of the owner and lienholder, if any,  
22 or any other person identified on the department's record who may have an  
23 interest in the vehicle, ~~or~~ if the notice is returned marked unclaimed or  
24 addressee unknown, or IF the certified restricted mail return receipt is not  
25 returned, then notice of the assistant director's intention to allow the  
26 disposition of the junk vehicle as prescribed by this section shall be  
27 published once in a newspaper of general circulation in the county in which  
28 the junk vehicle was found. The notice shall include a statement that a  
29 complete vehicle description of junk vehicles shall be made available to the  
30 public by the department.

31           ~~F~~- E. If at the expiration of fifteen days from mailing the certified  
32 restricted notice or the publication as provided in subsections ~~D~~- C and ~~E~~-  
33 D of this section the vehicle is unclaimed, the assistant director shall make  
34 inquiry to determine if the vehicle is a stolen vehicle. Upon receiving  
35 notification that the vehicle has not been reported stolen, the assistant  
36 director or his agent shall issue written authorization to the owner of the  
37 property authorizing the owner of the property or a licensed automotive  
38 recycler to dispose of the junk vehicle pursuant to subsection ~~G~~- F of this  
39 section.

40           ~~G~~- F. The junk vehicle shall not be restored or dismantled for parts  
41 for resale but shall be disposed of by a vehicle crusher. The person  
42 authorized by the assistant director to dispose of the junk vehicle shall  
43 enter on his copy of the written authorization the name of the person  
44 crushing the junk vehicle. The person crushing the junk vehicle shall mail

1 a copy of the written authorization to the motor vehicle division within five  
2 days of receipt of the written authorization certifying that the vehicle has  
3 been crushed. The copy of the written authorization forwarded to the vehicle  
4 division shall be accompanied by the certificate of title ~~or dismantle~~  
5 ~~permit~~, registration card and number plate or plates assigned to the vehicle.  
6 If the certificate of title, registration card or number plate or plates are  
7 not available, the person authorized to dispose of the junk vehicle shall  
8 forward the documents and plates which are available together with a  
9 description of the vehicle which description shall include the make, model,  
10 year, vehicle identification number, color and last known owner of the  
11 vehicle.

12 ~~H.~~ G. The vehicle division, upon receipt of the written  
13 authorization, documents, plates and information as provided in subsection  
14 ~~G.~~ F of this section, shall void the certificate of title ~~or dismantle permit~~  
15 to such vehicle and shall maintain a record of all vehicles destroyed  
16 pursuant to this section. A certificate of title shall not again be issued  
17 for a vehicle destroyed pursuant to this section. A certificate of title  
18 voided pursuant to this subsection removes all liens or encumbrances  
19 including any liens relating to titling and registration.

20 ~~F.~~ H. A person disposing of a junk vehicle is exempt from paying fees  
21 as prescribed in this article.

22 ~~A.~~ I. For the purposes of this section, "junk vehicle" means a  
23 vehicle which is in such a state of deterioration that it cannot be  
24 profitably dismantled or salvaged for parts and cannot be profitably  
25 restored.

26 Sec. 10. Repeal

27 Section 41-2997.09, Arizona Revised Statutes, is repealed.

28 Sec. 11. Title 41, chapter 27, article 2, Arizona Revised Statutes,  
29 is amended by adding section 41-3002.20, to read:

30 41-3002.20. Automobile theft authority; termination July 1,  
31 2002

32 A. THE AUTOMOBILE THEFT AUTHORITY TERMINATES ON JULY 1, 2002.

33 B. TITLE 41, CHAPTER 31 IS REPEALED ON JANUARY 1, 2003.

34 Sec. 12. Title 41, Arizona Revised Statutes, is amended by adding  
35 chapter 31, to read:

36 CHAPTER 31

37 AUTOMOBILE THEFT AUTHORITY

38 ARTICLE 1. GENERAL PROVISIONS

39 Sec. 13. Section 41-2417, Arizona Revised Statutes, is transferred and  
40 renumbered for placement in title 41, chapter 31, article 1, Arizona Revised  
41 Statutes, as added by this act, as section 41-3451 and, as so renumbered, is  
42 amended to read:

1           41-3451. Automobile theft authority; powers and duties; fund;  
2                           audit

3           A. An automobile theft ~~prevention~~ authority is established consisting  
4 of:

5           1. ~~Two~~ ONE police ~~chiefs~~ CHIEF appointed by the ~~governor~~ ARIZONA  
6 CHIEFS' OF POLICE ASSOCIATION.

7           2. ~~Two sheriffs~~ ONE SHERIFF appointed by the ~~governor~~ ARIZONA  
8 SHERIFFS' ASSOCIATION.

9           3. A county attorney appointed by the governor.

10          4. Two employees of insurers licensed to write automobile liability  
11 insurance in this state appointed by the governor.

12          5. Two members of the general public appointed by the governor.

13          6. The assistant director for the motor vehicle division in the  
14 department of transportation.

15          7. THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY OR THE DIRECTOR'S  
16 DESIGNEE.

17          B. ~~The terms of the~~ Members ~~are for~~ SERVE STAGGERED four ~~years~~ YEAR  
18 TERMS beginning and ending on the third Monday in January. AT THE FIRST  
19 MEETING EACH YEAR, THE MEMBERS SHALL SELECT A CHAIRMAN FROM AMONG THE  
20 MEMBERS. THE AUTHORITY SHALL MEET AT THE CALL OF THE CHAIRMAN OR FOUR  
21 MEMBERS.

22          C. The authority ~~shall~~ MAY:

23          1. Hire UP TO TWO staff MEMBERS as necessary, INCLUDING AN EXECUTIVE  
24 DIRECTOR. If an executive director is hired, preference shall be given to  
25 qualified executive director applicants with law enforcement and criminal  
26 policy experience. THE EXECUTIVE DIRECTOR'S ANNUAL COMPENSATION SHALL NOT  
27 BE MORE THAN SEVENTY-FIVE THOUSAND DOLLARS.

28          2. Provide work facilities and equipment as necessary.

29          3. Determine the scope of the problem of automobile theft, including  
30 particular areas of the state where the problem is greatest.

31          4. Analyze the various methods of combating the problem of automobile  
32 theft.

33          5. Develop and implement a plan of operation.

34          6. Develop and implement a financial plan.

35          7. SOLICIT AND ACCEPT GIFTS AND GRANTS.

36          ~~7-~~ 8. Report by ~~September 1~~ DECEMBER 31 of each year to the governor,  
37 THE PRESIDENT OF THE SENATE and the ~~legislature~~ SPEAKER OF THE HOUSE OF  
38 REPRESENTATIVES on its activities during the preceding fiscal year.

39          9. REPORT BY DECEMBER 31 OF EACH YEAR TO THE AUTOMOBILE THEFT  
40 AUTHORITY COMMITTEE ON THE AUTHORITY'S PROGRAMS, THE SUCCESS OF THE PROGRAMS,  
41 THE AUTHORITY'S SOURCE OF FUNDING AND THE IMPACT AUTOMOBILE THEFT PREVENTION  
42 PROGRAMS HAVE HAD ON MOTOR VEHICLE INSURANCE COSTS.

43          D. IF THE CHAIRMAN OF THE AUTHORITY KNOWS THAT A POTENTIAL GROUND FOR  
44 THE REMOVAL OF A MEMBER OF THE AUTHORITY EXISTS UNDER THIS SUBSECTION, THE

1 CHAIRMAN SHALL NOTIFY THE GOVERNOR. THE GOVERNOR SHALL REMOVE THE MEMBER IF  
2 THE GOVERNOR FINDS THAT ANY OF THE FOLLOWING APPLIES:

3 1. THE MEMBER WAS NOT QUALIFIED TO SERVE AT THE TIME THE MEMBER WAS  
4 APPOINTED.

5 2. THE MEMBER DOES NOT MAINTAIN THE MEMBER'S QUALIFICATIONS TO SERVE.

6 3. THE MEMBER CANNOT DISCHARGE THE MEMBER'S DUTIES FOR A SUBSTANTIAL  
7 PART OF THE TERM DUE TO ILLNESS OR OTHER DISABILITY.

8 4. THE MEMBER IS ABSENT FROM MORE THAN ONE-HALF OF THE REGULARLY  
9 SCHEDULED MEETINGS DURING A CALENDAR YEAR UNLESS THE MEMBER'S ABSENCE IS  
10 EXCUSED BY A MAJORITY VOTE OF THE AUTHORITY.

11 ~~D~~ E. The automobile theft ~~prevention~~ authority fund is established  
12 in the state treasury consisting of any public or private monies that the  
13 authority may receive. The automobile theft ~~prevention~~ authority shall  
14 administer the fund. Monies in the fund shall ONLY be used to pay the  
15 expenses of the authority and to carry out the purposes of this section.  
16 Monies in the fund are exempt from the provisions of sections 35-143.01 and  
17 35-190, relating to lapsing of appropriations. On notice from the authority,  
18 the state treasurer shall invest and divest monies in the fund as provided  
19 by section 35-313. The state treasurer shall credit all interest earned on  
20 the monies in the fund to the fund.

21 ~~E~~ F. The authority may accept nonmonetary contributions, including  
22 the services of individuals, office and secretarial assistance, mailings,  
23 printing, office equipment, facilities and supplies, that are necessary to  
24 carry out its functions. The nonmonetary contributions shall not be included  
25 in the costs of administration limitation prescribed by subsection ~~G~~ H of  
26 this section.

27 ~~F~~ G. The automobile theft ~~prevention~~ authority shall allocate monies  
28 in the fund to public agencies for the purpose of establishing, maintaining  
29 and supporting programs that are designed to prevent automobile theft,  
30 including:

31 1. Financial support to law enforcement and prosecution agencies for  
32 programs that are designed to increase the effectiveness of automobile theft  
33 prosecution.

34 2. Financial support for programs that are designed to educate and  
35 assist the public in the prevention of automobile theft.

36 ~~G~~ H. The costs of administration shall not exceed ten per cent of  
37 the monies in the fund in any one year so that the greatest possible portion  
38 of the monies available to the authority is expended on combating automobile  
39 theft.

40 ~~H~~ I. Monies expended from the automobile theft ~~prevention~~ authority  
41 fund shall be used to supplement, not supplant, other monies that are  
42 available for auto theft prevention.

43 J. EACH INSURER ISSUING MOTOR VEHICLE LIABILITY INSURANCE POLICIES IN  
44 THIS STATE SHALL PAY AN ANNUAL FEE OF FIFTY CENTS MULTIPLIED BY THE INSURER'S

1 TOTAL EARNED CAR YEARS OF INSURANCE. FROM AND AFTER JUNE 30, 1996, EACH  
2 INSURER SHALL TRANSMIT THE FEE IN JANUARY AND JULY OF EACH YEAR TO THE STATE  
3 TREASURER FOR DEPOSIT IN THE AUTOMOBILE THEFT AUTHORITY FUND.

4 ~~I~~ K. The authority shall cause an audit to be made of the automobile  
5 theft ~~prevention~~ authority fund. The audit shall be conducted by a certified  
6 public accountant within two years after the fund is established. The  
7 authority shall file a certified copy of the audit with the auditor general  
8 immediately. The auditor general may make further audits and examinations  
9 as ~~he~~ THE AUDITOR GENERAL deems necessary and may take appropriate action  
10 relating to the audit pursuant to chapter 7, article 10.1 of this title.

11 ~~J~~ L. Authority members are not eligible to receive compensation but  
12 are eligible for reimbursement of expenses pursuant to title 38, chapter 4,  
13 article 2.

14 M. THIS SECTION DOES NOT APPLY TO VEHICLES OR VEHICLE COMBINATIONS  
15 WITH A DECLARED GROSS WEIGHT OF TWENTY-SIX THOUSAND POUNDS OR MORE. MOTOR  
16 VEHICLE LIABILITY INSURANCE POLICIES ISSUED IN THIS STATE FOR VEHICLES OR  
17 VEHICLE COMBINATIONS WITH A DECLARED GROSS WEIGHT OF TWENTY-SIX THOUSAND  
18 POUNDS OR MORE ARE EXEMPT FROM SUBSECTION J OF THIS SECTION.

19 Sec. 14. Title 41, chapter 31, article 1, Arizona Revised Statutes,  
20 as added by this act, is amended by adding sections 41-3452 and  
21 41-3453, to read:

22 41-3452. Automobile theft authority committee: members; duties

23 A. THE AUTOMOBILE THEFT AUTHORITY COMMITTEE IS ESTABLISHED. THE  
24 COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:

25 1. THREE MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF  
26 THE SENATE, WHO SERVE ON THE JUDICIARY, TRANSPORTATION AND BANKING AND  
27 INSURANCE COMMITTEES, OR THEIR SUCCESSOR COMMITTEES, AND NOT MORE THAN TWO  
28 OF WHOM REPRESENT THE SAME POLITICAL PARTY. IF ANY MEMBER IS NO LONGER IN  
29 OFFICE, THE PRESIDENT OF THE SENATE SHALL FILL THE VACANCY.

30 2. THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY  
31 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, WHO SERVE ON THE JUDICIARY,  
32 TRANSPORTATION AND BANKING AND INSURANCE COMMITTEES, OR THEIR SUCCESSOR  
33 COMMITTEES, AND NOT MORE THAN TWO OF WHOM REPRESENT THE SAME POLITICAL PARTY.  
34 IF ANY MEMBER IS NO LONGER IN OFFICE, THE SPEAKER OF THE HOUSE OF  
35 REPRESENTATIVES SHALL FILL THE VACANCY.

36 3. THE GOVERNOR OR THE GOVERNOR'S DESIGNEE.

37 4. THE DIRECTOR OF THE DEPARTMENT OF INSURANCE OR THE DIRECTOR'S  
38 DESIGNEE.

39 B. THE COMMITTEE SHALL SELECT A CHAIRMAN.

40 C. THE AUTOMOBILE THEFT AUTHORITY COMMITTEE SHALL REVIEW:

41 1. THE AUTOMOBILE THEFT AUTHORITY PREVENTION PROGRAMS AND THE  
42 EFFECTIVENESS OF THE PROGRAMS.

43 2. THE AUTOMOBILE THEFT AUTHORITY FUNDING SOURCES AND THE NEED FOR  
44 ADDITIONAL FUNDING.

1           3. THE IMPACT OF THE AUTOMOBILE THEFT AUTHORITY PREVENTION PROGRAMS  
2 ON AUTOMOBILE THEFT RATES.

3           4. THE IMPACT OF THE AUTOMOBILE THEFT AUTHORITY PREVENTION PROGRAMS  
4 ON MOTOR VEHICLE INSURANCE COSTS.

5           D. COMMITTEE MEMBERS ARE NOT ELIGIBLE TO RECEIVE COMPENSATION OR  
6 REIMBURSEMENT OF EXPENSES FOR SERVICE ON THE AUTOMOBILE THEFT AUTHORITY  
7 COMMITTEE.

8           41-3453. Failure to pay fee; definition

9           A. THE AUTOMOBILE THEFT AUTHORITY SHALL NOTIFY THE DIRECTOR OF THE  
10 DEPARTMENT OF INSURANCE OF AN INSURER'S FAILURE TO PAY THE FEE PRESCRIBED BY  
11 SECTION 41-3451, SUBSECTION J. ON RECEIVING NOTICE OF AN INSURER'S FAILURE  
12 TO PAY THE FEE, THE DIRECTOR MAY SUSPEND THE INSURER'S CERTIFICATE OF  
13 AUTHORITY OR IMPOSE A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED TWENTY PER  
14 CENT OF THE AMOUNT DUE, OR BOTH. THE INSURER SHALL PAY THE CIVIL PENALTY TO  
15 THE DIRECTOR. THE DIRECTOR SHALL TRANSMIT THE CIVIL PENALTY TO THE STATE  
16 TREASURER FOR DEPOSIT IN THE AUTOMOBILE THEFT AUTHORITY FUND.

17           B. FOR THE PURPOSES OF THIS SECTION "INSURER" MEANS AN INSURER THAT  
18 WRITES MOTOR VEHICLE INSURANCE IN THIS STATE, INCLUDING RECIPROCAL INSURERS,  
19 MUTUAL COMPANIES, MUTUAL ASSOCIATIONS AND LLOYD'S PLANS.

20           Sec. 15. Purpose

21           The purpose of the automobile theft authority is to provide assistance  
22 to law enforcement with funding and programs to reduce the incidence of  
23 automobile theft.

24           Sec. 16. Retention of members

25           A. Notwithstanding section 41-3451, Arizona Revised Statutes, the  
26 terms of the persons who are serving as members of the automobile theft  
27 authority on the effective date of this act may continue to serve until  
28 expiration of their current terms.

29           B. Notwithstanding section 41-3451, Arizona Revised Statutes, as  
30 amended by this act, all persons who are appointed to serve as members of the  
31 automobile theft authority after the effective date of this act shall be  
32 appointed as prescribed by statute upon expiration of the term of the current  
33 member whom they are replacing. A person who is a member of the automobile  
34 theft authority prior to the effective date of this act may be reappointed  
35 to serve as a member of the authority.

36           Sec. 17. Report on the impact of vehicle inspections

37           On or before March 1, 1997, the director of the department of  
38 transportation shall submit a report to the governor, the president of the  
39 senate, the speaker of the house of representatives and the joint legislative  
40 budget committee on the impact of vehicle inspections prescribed in sections  
41 28-303.02 and 28-321.02, Arizona Revised Statutes, as added by this act, in  
42 terms of identifying stolen vehicles and chop shop activities.

43           Sec. 18. Delayed repeal

44           Section 17 of this act is repealed from and after March 1, 1997.

1           Sec. 19. Costs of administration

2           Notwithstanding section 41-3451, subsection H, Arizona Revised  
3 Statutes, as transferred, renumbered and amended by this act, the  
4 administrative costs of the automobile theft authority may exceed ten per  
5 cent of the monies in the automobile theft authority fund until January 1,  
6 1997.

7           Sec. 20. Appropriation; purpose

8           A. The sum of \$225,000 is appropriated from the state general fund to  
9 the automobile theft authority in fiscal year 1996-1997 for the purpose of  
10 operating the authority.

11           B. The appropriation made in subsection A of this section is exempt  
12 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
13 lapsing of appropriations.

14           Sec. 21. Appropriation

15           The sum of \$225,000 is appropriated from the state general fund to the  
16 department of transportation for fiscal year 1996-1997 for the purposes of  
17 conducting vehicle inspections as prescribed in sections 28-303.02 and  
18 28-321.02, Arizona Revised Statutes, as added by this act.

19           Sec. 22. Requirements for enactment

20           Pursuant to article IX, section 22, Constitution of Arizona, this act  
21 is effective only on the affirmative vote of at least two-thirds of the  
22 members of each house of the legislature and is effective immediately on the  
23 signature of the governor, or if the governor vetoes this act, on the  
24 subsequent affirmative vote of at least three-fourths of the members of each  
25 house of the legislature.

**APPROVED BY THE GOVERNOR APRIL 23, 1996**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 1996**