

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 248

# HOUSE BILL 2415

AN ACT

AMENDING SECTION 28-2091, ARIZONA REVISED STATUTES; RELATING TO SALVAGE,  
SEIZURE AND DISMANTLING OF VEHICLES.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

2 Section 1. Section 28-2091, Arizona Revised Statutes, is amended to  
3 read:

4 28-2091. Salvage certificate of title; nonrepairable vehicle  
5 certificate of title; recovered vehicles; violation;  
6 classification; definitions

7 A. If a vehicle subject to titling or registration pursuant to this  
8 chapter becomes a salvage vehicle or nonrepairable vehicle and is acquired  
9 by an insurance company as a result of a total loss insurance settlement, the  
10 insurance company or its authorized agent shall submit an application to the  
11 department within thirty days after the loss or settlement of the loss on a  
12 form prescribed by the department for a salvage certificate of title or  
13 nonrepairable vehicle certificate of title and include the following:

- 14 1. A properly endorsed certificate of title.
- 15 2. A lien satisfaction, if applicable.
- 16 3. The registration card.
- 17 4. The license plates, if the license plates are not retained pursuant  
18 to section 28-2356 or an affidavit of license plate destruction is not  
19 submitted.
- 20 5. The appropriate fees.

21 B. If the registration card or license plate is lost or destroyed, the  
22 applicant shall state in a form prescribed by the department, under penalty  
23 of perjury, the circumstances of the loss or destruction.

24 C. Except for vehicles registered pursuant to section 28-2482, 28-2483  
25 or 28-2484, if the owner retains possession of a salvage vehicle or  
26 nonrepairable vehicle, the owner shall comply with this section before  
27 receiving a total loss settlement from the insurance company or otherwise  
28 disposing of the vehicle.

29 D. Any other owner of a vehicle that is a salvage vehicle or  
30 nonrepairable vehicle shall apply for a salvage certificate of title or  
31 nonrepairable vehicle certificate of title pursuant to this section.

32 E. On receipt of a proper application, the department shall issue a  
33 salvage certificate of title or nonrepairable vehicle certificate of title  
34 for the vehicle.

35 F. If the department issues a nonrepairable vehicle certificate of  
36 title for a vehicle, the registration of the vehicle is cancelled. The front  
37 of a nonrepairable vehicle certificate of title shall be branded with the  
38 word "nonrepairable". The ownership of a vehicle for which a nonrepairable  
39 vehicle certificate of title has been issued shall not be reassigned more  
40 than two times on that certificate of title. If a nonrepairable vehicle  
41 certificate of title is issued for a vehicle, the department shall not issue  
42 any further certificate of title for that vehicle.

43 G. An owner of a vehicle that is not a salvage vehicle who sells the  
44 vehicle as scrap or for purposes of dismantling or destroying shall assign

1 the certificate of title to the purchaser, and the purchaser shall comply  
2 with section 28-2094.

3 H. On sale of the vehicle, an owner of a salvage vehicle for which a  
4 salvage certificate of title has been obtained or an owner of a nonrepairable  
5 vehicle for which a nonrepairable vehicle certificate of title has been  
6 obtained shall assign and deliver the salvage certificate of title or  
7 nonrepairable vehicle certificate of title to the purchaser and shall notify  
8 the department of the name and address of the purchaser.

9 I. EXCEPT AS PROVIDED IN SUBSECTION L OF THIS SECTION, the department  
10 shall issue a certificate of title to a vehicle that has been issued a  
11 salvage certificate of title as a result of a total loss settlement by reason  
12 of theft if the vehicle is recovered and was not wrecked or stripped of  
13 essential parts. ~~For the purposes of this subsection, "essential parts" means~~  
14 ~~integral and body parts, the removal, alteration or substitution of which~~  
15 ~~will tend to conceal the identity or substantially alter the appearance of~~  
16 ~~the vehicle.~~ AND THE INSURANCE COMPANY OR ITS AUTHORIZED AGENT SUBMITS AN  
17 AFFIDAVIT TO THE DEPARTMENT IN A FORM PRESCRIBED BY THE DEPARTMENT STATING  
18 EITHER OF THE FOLLOWING:

- 19 1. THE VEHICLE IS A RECOVERED THEFT AND BOTH OF THE FOLLOWING:  
20 (a) THE VEHICLE WAS NOT WRECKED OR STRIPPED OF ESSENTIAL PARTS.  
21 (b) TO THE INSURANCE COMPANY'S OR ITS AUTHORIZED AGENT'S ACTUAL  
22 KNOWLEDGE, NO AIR BAG OR COMPONENT PART NECESSARY TO THE PROPER FUNCTION OF  
23 THE AIR BAG SYSTEM DEPLOYED IN THE VEHICLE OR WAS REMOVED FROM THE VEHICLE.  
24 2. THE VEHICLE IS A RECOVERED THEFT AND, TO THE INSURANCE COMPANY'S  
25 OR ITS AUTHORIZED AGENT'S ACTUAL KNOWLEDGE, AN AIR BAG OR AN AIR BAG MODULE  
26 DEPLOYED IN THE VEHICLE OR WAS REMOVED FROM THE VEHICLE. THE INSURANCE  
27 COMPANY OR ITS AUTHORIZED AGENT SHALL LIST THE LOCATION IN THE VEHICLE OF  
28 EACH DEPLOYMENT OR REMOVAL OF AN AIR BAG OR AN AIR BAG MODULE.

29 J. ON RECEIPT OF AN AFFIDAVIT SUBMITTED PURSUANT TO SUBSECTION I,  
30 PARAGRAPH 2 OF THIS SECTION, THE DEPARTMENT SHALL MARK ITS RECORDS TO  
31 INDICATE THE DEPLOYMENT OR REMOVAL OF THE AIR BAG OR AIR BAG MODULE FROM THE  
32 VEHICLE AND THE LOCATION OF EACH DEPLOYMENT OR REMOVAL.

33 K. THE INSURANCE COMPANY OR ITS AUTHORIZED AGENT SHALL GIVE THE  
34 PURCHASER OF A VEHICLE THAT IS A RECOVERED THEFT, AS DESCRIBED IN SUBSECTION  
35 I OF THIS SECTION, A COPY OF THE AFFIDAVIT SUBMITTED PURSUANT TO SUBSECTION  
36 I OF THIS SECTION.

37 L. IF THE VEHICLE IS A RECOVERED THEFT AND COMPONENTS OF THE VEHICLE'S  
38 AIR BAG SYSTEM, OTHER THAN THE AIR BAG OR THE AIR BAG MODULE DESCRIBED IN  
39 SUBSECTION I, PARAGRAPH 2 OF THIS SECTION, OR OTHER PARTS OF THE VEHICLE WERE  
40 REMOVED COMPROMISING THE FUNCTIONAL INTEGRITY OF THE AIR BAG SYSTEM OR THE  
41 STRUCTURAL INTEGRITY OF THE VEHICLE, THE INSURANCE COMPANY OR ITS AUTHORIZED  
42 AGENT SHALL SUBMIT AN AFFIDAVIT TO THE DEPARTMENT IN A FORM PRESCRIBED BY THE  
43 DEPARTMENT STATING THAT THE VEHICLE IS A RECOVERED THEFT AND THAT COMPONENTS  
44 OF THE VEHICLE'S AIR BAG SYSTEM, OTHER THAN THE AIR BAG OR THE AIR BAG MODULE  
45 DESCRIBED IN SUBSECTION I, PARAGRAPH 2 OF THIS SECTION, OR OTHER PARTS OF THE

1 VEHICLE WERE REMOVED COMPROMISING THE FUNCTIONAL INTEGRITY OF THE AIR BAG  
2 SYSTEM OR THE STRUCTURAL INTEGRITY OF THE VEHICLE. THE DEPARTMENT SHALL NOT  
3 ISSUE A CERTIFICATE OF TITLE TO THE VEHICLE BUT MAY ISSUE A RESTORED SALVAGE  
4 CERTIFICATE OF TITLE PURSUANT TO SECTION 28-2095 IF ALL OF THE FOLLOWING  
5 APPLY:

6 1. THE VEHICLE IS REPAIRABLE.

7 2. THE DEPARTMENT SUCCESSFULLY COMPLETES A LEVEL THREE INSPECTION AS  
8 PRESCRIBED IN SECTION 28-2011.

9 3. THE VEHICLE MEETS OTHER REQUIREMENTS THE DIRECTOR PRESCRIBES.

10 M. EXCEPT AS PROVIDED IN SUBSECTION N OF THIS SECTION, ANY PERSON WHO  
11 SELLS A VEHICLE THAT IS ISSUED A CERTIFICATE OF TITLE PURSUANT TO SUBSECTION  
12 I OF THIS SECTION AND WHO HAS ACTUAL KNOWLEDGE THAT AN AIR BAG, AN AIR BAG  
13 MODULE OR COMPONENTS OF THE VEHICLE'S AIR BAG SYSTEM COMPROMISING THE  
14 FUNCTIONAL INTEGRITY OF THE AIR BAG SYSTEM DEPLOYED OR WERE REMOVED FROM THE  
15 VEHICLE SHALL NOT FAIL TO DISCLOSE THE DEPLOYMENT OR REMOVAL TO THE BUYER  
16 BEFORE COMPLETION OF THE SALE WITH THE INTENTION OF CONCEALING THE DEPLOYMENT  
17 OR REMOVAL. A PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A CLASS 1  
18 MISDEMEANOR.

19 N. SUBSECTION M OF THIS SECTION DOES NOT APPLY TO EITHER OF THE  
20 FOLLOWING:

21 1. AN INSURANCE COMPANY OR ITS AUTHORIZED AGENT WHO ISSUES AN  
22 AFFIDAVIT PURSUANT TO SUBSECTION I OF THIS SECTION UNLESS THE INSURANCE  
23 COMPANY OR ITS AUTHORIZED AGENT INTENTIONALLY FAILS TO DISCLOSE THE  
24 DEPLOYMENT OR REMOVAL OF AN AIR BAG, AN AIR BAG MODULE OR COMPONENTS OF THE  
25 VEHICLE'S AIR BAG SYSTEM THAT COMPROMISE THE FUNCTIONAL INTEGRITY OF THE AIR  
26 BAG SYSTEM.

27 2. A PERSON WHO OWNS A VEHICLE THAT IS ISSUED A CERTIFICATE OF TITLE  
28 PURSUANT TO SUBSECTION I OF THIS SECTION IF THE PERSON REPAIRS OR REPLACES  
29 THE AIR BAG OR AIR BAG MODULE IN THE VEHICLE.

30 ~~I.~~ O. Any person who sells a vehicle for which a salvage certificate  
31 of title has been issued and who knows a salvage certificate of title has  
32 been issued for the vehicle shall disclose to the buyer before completion of  
33 the sale that the vehicle is a salvage vehicle.

34 ~~J.~~ P. If a vehicle that is titled as a salvage vehicle is to be  
35 scrapped, dismantled or destroyed, the owner or purchaser shall comply with  
36 section 28-2094.

37 ~~K.~~ Q. The provisions of this chapter that refer to titles apply to  
38 salvage certificates of title and nonrepairable vehicle certificates of title  
39 issued pursuant to this section unless they conflict with this section.

40 ~~L.~~ R. If a component part of a vehicle on which the vehicle  
41 identification number is affixed is to be replaced and if the vehicle is  
42 being repaired by a person other than its owner, the person shall notify the  
43 owner in writing and in the manner prescribed by the department that the part  
44 has been replaced, and the owner shall comply with section 28-2165.

1 M. S. EXCEPT AS OTHERWISE PROVIDED, a person who violates this  
2 section is guilty of a class 2 misdemeanor.

3 N. T. For the purposes of this section:

4 1. "ESSENTIAL PARTS" MEANS INTEGRAL AND BODY PARTS, THE REMOVAL,  
5 ALTERATION OR SUBSTITUTION OF WHICH WILL TEND TO CONCEAL THE IDENTITY OR  
6 SUBSTANTIALLY ALTER THE APPEARANCE OF THE VEHICLE.

7 1. 2. "Nonrepairable vehicle" means a vehicle of a type that is  
8 otherwise subject to titling and registration pursuant to this chapter and  
9 that either:

10 (a) Has no resale value except as a source of parts or scrap metal and  
11 the owner or insurer designates the vehicle solely as a source of parts or  
12 scrap metal.

13 (b) Is a completely stripped vehicle that is recovered from theft and  
14 that is missing the engine or motor, the transmission, all of the bolt-on  
15 sheet metal body panels, all of the doors and hatches, substantially all of  
16 the interior components and substantially all of the grill and light  
17 assemblies or that the owner designates has little or no resale value except  
18 its worth as a source of scrap metal or as a source of a vehicle  
19 identification number that could be used illegally.

20 (c) Is a completely burned vehicle that has been burned to the extent  
21 that there are no usable or repairable body or interior components, tires and  
22 wheels, engine or motor or transmission and that the owner irreversibly  
23 designates as having little or no resale value except as a source of scrap  
24 metal or as a source of a vehicle identification number that could be used  
25 illegally.

26 2. 3. "Nonrepairable vehicle certificate of title" means a vehicle  
27 ownership document issued to the owner of a nonrepairable vehicle.

28 3. 4. "Salvage vehicle" means a vehicle, other than a nonrepairable  
29 vehicle, of a type that is subject to titling and registration pursuant to  
30 this chapter and that has been stolen, wrecked, destroyed, flood or water  
31 damaged or otherwise damaged to the extent that the owner, leasing company,  
32 financial institution or insurance company that insured the vehicle considers  
33 it uneconomical to repair the vehicle.

APPROVED BY THE GOVERNOR MAY 20, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2002.



Passed the House February 12, 2002,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate May 7, 2002,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20  ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20  ,

at            o'clock            M.

            
Governor of Arizona

H.B. 2415

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20  ,

at            o'clock            M.

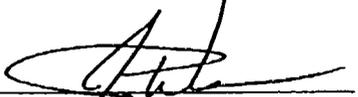
            
Secretary of State

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 16, 2002,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

  
Speaker of the House

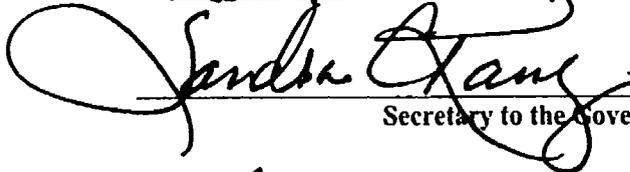
  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

16 day of May, 2002

at 3:00 o'clock P M.

  
Secretary to the Governor

Approved this 20<sup>th</sup> day of

May, 2002,

at 10:01 o'clock A M.

  
Governor of Arizona

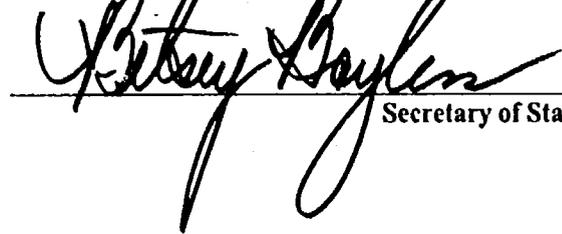
H.B. 2415

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 20 day of May, 2002,

at 3:54 o'clock P M.

  
Secretary of State